

AMENDMENTS TO ASSEMBLY BILL NO. 2028
AS AMENDED IN SENATE AUGUST 20, 2020

Amendment 1

In the heading, between lines 1 and 2, insert:

(Principal coauthor: Senator Wilk)

Amendment 2

In the heading, strike out line 2 and insert:

(Coauthor: Assembly Member Wicks)

Amendment 3

In the title, strike out lines 1 and 2 and insert:

An act to amend Sections 81000, 81002, 81003, 81004, 81004.5, 81006, and 81008 of, to amend and repeal Sections 81007 and 81011 of, and to add Sections 81004.6 and 81013.5 to, the Food and Agricultural Code, and to amend, repeal, and add Sections 11018.5, 100425, and 110065 of, to add Sections 110036, 110407, 110469, 110611, 111691, and 113091 to, to add Chapter 9 (commencing with Section 111920) to Part 5 of Division 104 of, and to repeal Section 111928.5 of, the Health and Safety Code, relating to industrial hemp, and declaring the urgency thereof, to take effect immediately.

Amendment 4

On page 2, before line 1, insert:

SECTION 1. Section 81000 of the Food and Agricultural Code, as amended by Section 2 of Chapter 838 of the Statutes of 2019, is amended to read:

81000. Definitions.

(a) For purposes of this division, the following terms have the following meanings:

(1) "Approved state plan" means a state plan for California that is approved pursuant to Section 297B of the federal Agricultural Marketing Act of 1946 (added by Section 10113 of the federal Agriculture Improvement Act of 2018 (Public Law 115-334)) and in effect.

(2) "Board" means the Industrial Hemp Advisory Board.

(3) "Cultivar" means a variety of industrial hemp.

(4) "Established agricultural research institution" means an institution that is either of the following:

(A) A public or private institution or organization that maintains land or facilities for agricultural research, including colleges, universities, agricultural research centers, and conservation research centers.



(B) An institution of higher education, as defined in Section 101 of the federal Higher Education Act of 1965 (20 U.S.C. Sec. 1001), that grows, cultivates, or manufactures industrial hemp for purposes of research conducted under an agricultural pilot program or other agricultural or academic research.

(5) “Hemp breeder” means an individual or a public or private institution or organization that is registered with the commissioner to develop cultivars intended for sale or research.

(6) “Industrial hemp” or “~~Hemp~~” “hemp” means an agricultural product, whether growing or not, that is limited to types of the plant *Cannabis sativa* L. and any part of that plant, including the seeds of the plant and all derivatives, extracts, the resin extracted from any part of the plant, cannabinoids, isomers, acids, salts, and salts of isomers, with a delta-9 tetrahydrocannabinol concentration of no more than 0.3 percent on a dry weight basis.

(7) “Industrial hemp program” means growth of industrial hemp pursuant to this division and, if in effect, an approved state plan.

(8) “Measurement of uncertainty” means the parameter associated with the result of a measurement that characterizes the dispersion of the values that could reasonably be attributed to the particular quantity subject to measurement.

~~(8)~~

(9) “Premises” has the same meaning as defined in subdivision (ap) of Section 26001 of the Business and Professions Code.

~~(9)~~

(10) “THC” means delta-9 tetrahydrocannabinol.

~~(10)~~

(11) “Variety development plan” means a strategy devised by a hemp breeder, or applicant hemp breeder, detailing their planned approach to growing and developing a new cultivar for industrial hemp.

(b) This section shall remain operative only until the date on which a state plan for California is approved pursuant to Section 297B of the federal Agricultural Marketing Act of 1946 (added by Section 10113 of the federal Agricultural Improvement Act of 2018 (Public Law 115-334)), and as of January 1 of the following year is repealed.

SEC. 2. Section 81000 of the Food and Agricultural Code, as added by Section 3 of Chapter 838 of the Statutes of 2019, is amended to read:

81000. Definitions.

(a) For purposes of this division, the following terms have the following meanings:

(1) “Approved state plan” means a state plan for California that is approved pursuant to Section 297B of the federal Agricultural Marketing Act of 1946 (added by Section 10113 of the federal Agriculture Improvement Act of 2018 (Public Law 115-334)) and in effect.

(2) “Board” means the Industrial Hemp Advisory Board.

(3) “Cultivar” means a variety of industrial hemp.

(4) “Established agricultural research institution” means an institution of higher education, as defined in Section 101 of the federal Higher Education Act of 1965 (20 U.S.C. Sec. 1001), that grows, cultivates, or manufactures industrial hemp for purposes of agricultural or academic research.

(5) “Hemp breeder” means an individual or a public or private institution or organization that is registered with the commissioner to develop cultivars intended for sale or research.

(6) “Industrial hemp” or “~~Hemp~~” “hemp” means an agricultural product, whether growing or not, that is limited to types of the plant *Cannabis sativa* L. and any part of that plant, including the seeds of the plant and all derivatives, extracts, the resin extracted from any part of the plant, cannabinoids, isomers, acids, salts, and salts of isomers, with a delta-9 tetrahydrocannabinol concentration of no more than 0.3 percent on a dry weight basis.

(7) “Industrial hemp program” means growth of industrial hemp pursuant to this division and, if in effect, an approved state plan.

(8) “Measurement of uncertainty” means the parameter associated with the result of a measurement that characterizes the dispersion of the values that could reasonably be attributed to the particular quantity subject to measurement.

~~(8)~~

(9) “Premises” has the same meaning as defined in subdivision (ap) of Section 26001 of the Business and Professions Code.

~~(9)~~

(10) “Research plan” means a strategy devised by an established agricultural research institution, or applicant established agricultural research institution, detailing its planned approach to growing or cultivating hemp for academic or agricultural research.

~~(10)~~

(11) “THC” means delta-9 tetrahydrocannabinol.

~~(11)~~

(12) “Variety development plan” means a strategy devised by a hemp breeder, or applicant hemp breeder, detailing their planned approach to growing and developing a new cultivar for industrial hemp.

(b) This section shall become operative as of the date on which a state plan for California is approved pursuant to Section 297B of the federal Agricultural Marketing Act of 1946 (added by Section 10113 of the federal Agricultural Improvement Act of 2018 (Public Law 115-334)).

SEC. 3. Section 81002 of the Food and Agricultural Code is amended to read:

81002. (a) Except when grown by a registered established agricultural research institution or by a registered hemp breeder developing a new cultivar, industrial hemp shall be grown only if it is on the list of approved cultivars, or produced by clonal propagation of industrial hemp that is on the list of approved cultivars ~~and therefore genetically identical to, and capable of exhibiting the same range of characteristics as, the parent cultivar.~~ cultivars.

(b) The list of approved cultivars shall include all of the following:

(1) Industrial hemp cultivars that have been certified by member organizations of the Association of Official Seed Certifying Agencies, including, but not limited to, the Canadian Seed Growers’ Association.

(2) Industrial hemp cultivars that have been certified by the Organization of Economic Cooperation and Development.

(3) California varieties of industrial hemp cultivars that have been certified by a seed-certifying agency pursuant to Article 6.5 (commencing with Section 52401) of Chapter 2 of Division 18.

(c) (1) Upon recommendation by the board or the department, the secretary may update the list of approved cultivars by adding, amending, or removing cultivars.

(2) The adoption, amendment, or repeal of the list of approved cultivars, and the adoption of a methodology and procedure to add, amend, or remove a cultivar from the list of approved cultivars, pursuant to this section shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(3) The department, in consultation with the board, shall hold at least one public hearing with public comment to determine the methodology and procedure by which a cultivar is added, amended, or removed from the list of approved cultivars.

(4) The department shall finalize the methodology and procedure to add, amend, or remove a cultivar from the list of approved cultivars and send the methodology and procedure to the Office of Administrative Law. The Office of Administrative Law shall file the methodology and procedure promptly with the Secretary of State without further review pursuant to Article 6 (commencing with Section 11349) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code. The methodology and procedure shall do all of the following:

(A) Indicate that the methodology and procedure are adopted pursuant to this division.

(B) State that the methodology and procedure are being transmitted for filing.

(C) Request that the Office of Administrative Law publish a notice of the filing of the methodology and procedure and print an appropriate reference in Title 3 of the California Code of Regulations.

(d) The department, in consultation with the board, may determine the manner in which the public is given notice of the list of approved cultivars, and any addition, amendment, or removal from that list.

SEC. 4. Section 81003 of the Food and Agricultural Code is amended to read:

81003. (a) (1) Except for an established agricultural research institution subject to Section 81004.5 or a hemp breeder subject to Section 81004, and before cultivation, a grower of industrial hemp shall register with the commissioner of the county in which the grower intends to engage in industrial hemp cultivation.

(2) The application shall include all of the following:

(A) The name, physical address, and mailing address of the applicant.

(B) The legal description, Global Positioning System coordinates, and map of the land area on which the applicant plans to engage in industrial hemp cultivation, storage, or both.

(C) The approved cultivar to be grown, including the state or ~~county~~ country of origin.

(3) The application shall be accompanied by a registration fee, as determined pursuant to Section 81005.

(4) A registration issued pursuant to this section shall be valid for one year, after which the registrant shall renew the registration and pay an accompanying renewal fee, as determined pursuant to Section 81005.

(b) If the commissioner determines that the requirements for registration pursuant to this division are met and that the applicant is eligible to participate in the industrial hemp program, in accordance with Sections 81012 to 81014, inclusive, the commissioner shall issue a registration to the applicant.

(c) A registrant that wishes to change or alter the land area on which the registrant conducts industrial hemp cultivation or storage, or both, shall, before any alteration or change, submit to the commissioner an updated registration with the legal description, Global Positioning System coordinates, and map specifying the proposed land change or alteration. Once the commissioner has received the change to the registration and the commissioner determines that the requirements pursuant to this division are met, the commissioner shall notify the registrant that it may cultivate industrial hemp on the changed or altered land area.

(d) A registrant that wishes to change the cultivar grown shall submit to the commissioner the name of the new, approved cultivar to be grown. Once the commissioner has received the change to the registration and the commissioner determines that the requirements pursuant to this division are met, the commissioner shall notify the registrant that it may cultivate the new cultivar.

(e) (1) ~~The commissioner shall transmit information collected under this section to the department.~~ department no more than 10 business days after the date on which it is collected or the date of a change in registration status occurred.

(2) ~~The following information shall be transmitted by the commissioner to the department no more than 10 business days, and submitted by the department shall submit the information described in paragraph (a) of Section 990.70 of Title 7 of the Code of Federal Regulations to the United States Department of Agriculture no more than 30 business days, days after the date on which it is collected, or, in the case of subparagraph (C), collected or the date of a change in registration status.~~ status occurred.

~~(A) Contact information for each grower of industrial hemp.~~

~~(B) A legal description of the land on which the grower engages in industrial hemp cultivation.~~

~~(C) Registration status of the grower of industrial hemp.~~

(f) The department and the commissioner shall retain information collected under this section for at least three years after collecting or receiving it.

SEC. 5. Section 81004 of the Food and Agricultural Code is amended to read:

81004. (a) (1) Except when grown by an established agricultural research institution subject to Section 81004.5, and before cultivation, a hemp breeder shall register with the commissioner of the county in which the hemp breeder intends to engage in industrial hemp cultivation.

(2) The application shall include all of the following:

(A) The name, physical address, and mailing address of the applicant.

(B) The legal description, Global Positioning System coordinates, and map of the land area on which the applicant plans to engage in industrial hemp cultivation, storage, or both.

(C) A variety development plan, which shall include all of the following:

(i) If a new cultivar is to be certified by a seed-certifying agency, the name of the seed-certifying agency that will be conducting the certification.

(ii) The industrial hemp varieties that will be used and, if applicable, how those varieties will be used in the development of a new cultivar.

- (iii) A plan for testing ~~at~~ a representative sample of the plants grown.
 - (iv) The measures that will be taken to destroy or dispose of any plants with THC concentrations that test above 0.3 percent.
 - (v) The measures that will be taken to prevent the unlawful use of industrial hemp under this division.
 - (vi) A procedure for the maintenance of records documenting the development of the new cultivar.
- (3) The application shall be accompanied by a registration fee, as determined pursuant to Section 81005.
- (4) A registration issued pursuant to this section shall be valid for one year, after which the registrant shall renew its registration and pay an accompanying renewal fee, as determined pursuant to Section 81005.
- (b) If the commissioner determines that the requirements for registration pursuant to this division are met and that the applicant is eligible to participate in the industrial hemp program, in accordance with Sections 81012 to 81014, inclusive, the commissioner shall issue a hemp breeder registration to the applicant.
- (c) A registrant that wishes to change or alter the land area on which the registrant conducts industrial hemp cultivation or storage, or both, shall, before any alteration or change, submit to the commissioner an updated registration with the legal description, Global Positioning System coordinates, and map specifying the proposed land change or alteration. Once the commissioner has received the change to the registration and the commissioner determines that the requirements pursuant to this division are met, the commissioner shall notify the registrant that it may cultivate industrial hemp on the changed or altered land area.
- (d) A registrant that wishes to change the cultivar grown shall submit to the commissioner the name of the new, approved cultivar to be grown. Once the commissioner has received the change to the registration and the commissioner determines that the requirements pursuant to this division are met, the commissioner shall notify the registrant that it may cultivate the new cultivar.
- (e) A registrant developing a new cultivar who wishes to change any provision of the variety development plan shall submit to the commissioner the revised variety development plan. Once the commissioner has received the change to the registration and the commissioner determines that the requirements pursuant to this division are met, the commissioner shall notify the registrant that the registrant may cultivate under the revised variety development plan.
- (f) All records pertaining to the variety development plan shall be kept and maintained by the hemp breeder and be available upon request by the commissioner, a law enforcement agency, or a seed certifying agency.
- (g) (1) The commissioner shall transmit information collected under this section to the ~~department.~~ department no more than 10 business days after the date on which it is collected or the date of a change in registration status occurred.
- (2) ~~The following information shall be transmitted by the commissioner to the department no more than 10 business days, and submitted by the department shall submit the information described in paragraph (a) of Section 990.70 of Title 7 of the Code of Federal Regulations to the United States Department of Agriculture no more than 30 business days, days after the date on which it is collected, or, in the case of subparagraph (C), collected or the date of a change in registration status: status occurred.~~

- ~~(A) Contact information for each hemp breeder.~~
 - ~~(B) A legal description of the land on which the hemp breeder engages in industrial hemp cultivation.~~
 - ~~(C) Registration status of the hemp breeder.~~
 - (h) The department and the commissioner shall retain information collected under this section for at least three years after collecting or receiving it.
- SEC. 6. Section 81004.5 of the Food and Agricultural Code is amended to read:
- 81004.5. (a) (1) Before cultivating hemp for agricultural or academic research, an established agricultural research institution shall register with the commissioner of the county in which it intends to cultivate.
- (2) The registration application shall include all of the following:
 - (A) The name, physical address, and mailing address of the applicant.
 - (B) The legal description, Global Positioning System coordinates, and map of the geographic area where the applicant plans to engage in hemp cultivation or storage, or both.
 - (C) A research plan that shall include all of the following:
 - (i) The hemp varieties that will be used and, if applicable, how those varieties will be used for purposes of agricultural or academic research.
 - (ii) A plan for testing ~~all~~ a representative sample of the plants cultivated.
 - (iii) The measures that will be taken to destroy or dispose of any plants with THC concentrations that test above 0.3 percent.
 - ~~(iv) The measures that will be taken to prevent the unlawful use of hemp under this division.~~
 - ~~(v)~~
 - (iv) A procedure for the maintenance of records documenting the agricultural or academic research.
 - (3) A registration issued pursuant to this section shall be valid for one year, after which the registrant shall renew its registration if it will continue cultivating hemp beyond that term.
 - (b) If the commissioner determines that the requirements for registration pursuant to this division are met and that the applicant is eligible to participate in the hemp program, in accordance with Sections 81012 to 81014, inclusive, the commissioner shall issue an established agricultural research institution registration to the applicant.
 - (c) A registrant that wishes to change or alter the land area on which the registrant conducts hemp cultivation or storage, or both, shall, before any alteration or change, submit to the commissioner an updated registration with the legal description, Global Positioning System coordinates, and map specifying the proposed land change or alteration. Once the commissioner has received the change to the registration and the commissioner determines that the requirements pursuant to this division are met, the commissioner shall notify the registrant that it may cultivate hemp on the changed or altered land area.
 - (d) A registrant conducting agricultural or academic research who wishes to change any provision of the research plan shall submit to the commissioner a revised research plan. Once the commissioner has received the revised research plan, and the commissioner determines that the requirements of this division are met, the commissioner shall notify the registrant that it may cultivate under the revised research plan.

(e) All records pertaining to the research plan shall be kept and maintained by the established agricultural research institution and be available upon request by the commissioner or a law enforcement agency.

(f) (1) The commissioner shall transmit information collected under this section to the ~~department.~~ department no more than 10 business days after the date on which it is collected or the date of a change in registration status occurred.

(2) ~~The following information shall be transmitted by the commissioner to the department no more than 10 business days, and submitted by the department shall submit the information described in paragraph (a) of Section 990.70 of Title 7 of the Code of Federal Regulations to the United States Department of Agriculture no more than 30 business days, days after the date on which it is collected, or, in the case of subparagraph (C), collected or the date of a change in registration status: status occurred.~~

~~(A) Contact information for each registered established agricultural research institution.~~

~~(B) A legal description of the land on which the established agricultural research institution engages in hemp cultivation.~~

~~(C) Registration status of the established agricultural research institution.~~

(g) The department and the commissioner shall retain information collected under this section for at least three years after collecting or receiving it.

(h) This section shall become operative as of the date on which a state plan for California is approved pursuant to Section 297B of the federal Agricultural Marketing Act of 1946 (added by Section 10113 of the federal Agricultural Improvement Act of 2018 (Public Law 115-334)).

SEC. 7. Section 81004.6 is added to the Food and Agricultural Code, to read:

81004.6. Each registered established agricultural research institution, registered grower of industrial hemp, and registered hemp breeder shall report on its hemp production in the state and any changes to the location where it will produce hemp to the Farm Service Agency of the United States Department of Agriculture and shall provide, at minimum, all of the following information:

(a) Street address and, to the extent practicable, geospatial location of the lot, parcel, greenhouse, building, or site of all locations in the state where hemp will be produced.

(b) The acreage dedicated to the production of hemp, or greenhouse or indoor square footage dedicated to the production of hemp, for each location in the state where hemp will be produced.

(c) The license or registration number associated with each location in the state where hemp will be produced.

SEC. 8. Section 81006 of the Food and Agricultural Code is amended to read:

81006. Industrial Hemp Growth Limitations; Prohibitions; Imports; Laboratory Testing.

(a) Except when grown by a registered established agricultural research institution or a registered hemp breeder, industrial hemp shall be grown in acreages of not less than one-tenth of an acre at the same time.

(b) Clandestine cultivation of industrial hemp is prohibited. All plots shall have adequate signage indicating they are industrial hemp.

(c) Industrial hemp shall not be cultivated on a premises licensed by the department to cultivate or process cannabis. Industrial hemp, regardless of its THC

content, that is cultivated on a premises licensed by the department for cannabis cultivation shall be considered cannabis as defined in subdivision (f) of Section 26001 of the Business and Professions Code and subject to licensing and regulatory requirements for cannabis pursuant to Division 10 (commencing with Section 26000) of the Business and Professions Code.

(d) Industrial hemp shall include products imported under the Harmonized Tariff Schedule of the United States (2013) of the United States International Trade Commission, including, but not limited to, hemp seed, per subheading 1207.99.03, hemp oil, per subheading 1515.90.80, oilcake, per subheading 2306.90.01, true hemp, per heading 5302, true hemp yarn, per subheading 5308.20.00, and woven fabrics of true hemp fibers, per subheading 5311.00.40.

(e) (1) Except when industrial hemp is grown by a registered established agricultural research institution and tested in accordance with an approved research plan or by a registered hemp breeder and tested in accordance with an approved variety development plan, a registrant that grows industrial hemp under this section shall, before the harvest of each crop and as provided below, obtain a laboratory test report indicating the THC levels of a random sampling of the dried flowering tops of the industrial hemp grown.

(2) Sampling shall occur ~~no more than 30 days before harvest.~~ within the timeframe established by the department.

(3) The sample collected for THC testing shall be taken with the grower or hemp breeder present. The department shall establish, by regulation, the sampling procedures, including all of the following:

(A) The number of plants to be sampled per field, and any composting of samples.

(B) The portions of the plant to be sampled.

(C) The plant parts to be included in a sample.

(D) Additional procedures as necessary to ensure accuracy and the sanitation of samples and fields.

(4) The sample collected for THC testing shall be accompanied by the registrant's proof of registration.

(5) The laboratory test report shall be issued by a laboratory approved by the department, using a department-approved testing method. The testing method shall use postdecarboxylation or similarly reliable methods for determining THC concentration levels. The laboratory test report shall indicate the percentage concentration of THC on a dry-weight basis, indicate the date and location of samples taken, and state the Global Positioning System coordinates and total acreage of the crop. If the laboratory test report indicates a percentage concentration of THC that is equal to or less than 0.3 percent, the words "PASSED AS CALIFORNIA INDUSTRIAL HEMP" shall appear at or near the top of the laboratory test report. If the laboratory test report indicates a percentage concentration of THC that is greater than 0.3 percent, the words "FAILED AS CALIFORNIA INDUSTRIAL HEMP" shall appear at or near the top of the laboratory test report. The laboratory test report shall also include an estimate of the measurement of uncertainty associated with the test results. A laboratory shall use appropriate, validated methods and procedures for all testing activities and estimates of the measurement of uncertainty.

(6) If the laboratory test report indicates a percentage concentration of THC that is equal to or less than 0.3 percent, the laboratory shall provide the person who requested

the testing not less than 10 original copies signed by an employee authorized by the laboratory and shall retain one or more original copies of the laboratory test report for a minimum of two years from its date of sampling.

(7) If the laboratory test report indicates a percentage concentration of THC that is greater than 0.3 percent and does not exceed 1 percent, the registrant that grows industrial hemp shall submit additional samples for testing of the industrial hemp grown.

(8) A registrant that grows industrial hemp shall destroy or dispose of the industrial hemp grown upon receipt of a first laboratory test report indicating a percentage concentration of THC that exceeds 1 percent or a second laboratory test report pursuant to paragraph (7) indicating a percentage concentration of THC that exceeds 0.3 percent but is less than 1 percent. If the percentage concentration of THC exceeds 1 percent, the destruction or disposal shall begin within 48 hours, and be completed within seven days, after receipt of the laboratory test report. If the percentage concentration of THC in the second laboratory test report exceeds 0.3 percent but is less than 1 percent, the destruction or disposal shall take place as soon as practicable, but no later than 45 days after receipt of the second test report.

(9) A registrant that intends to grow industrial hemp and who complies with this section shall not be prosecuted for the cultivation or possession of marijuana as a result of a laboratory test report that indicates a percentage concentration of THC that is greater than 0.3 percent but does not exceed 1 percent.

(10) A registered established agricultural research institution or a registered hemp breeder shall obtain laboratory results in accordance with its approved research plan or variety development plan. The secretary may authorize a registered established agricultural research institution or hemp breeder to cultivate or possess industrial hemp with a laboratory test report that indicates a percentage concentration of THC that is greater than 0.3 percent in accordance with its approved research plan or variety development plan if that cultivation or possession contributes to the development of types of industrial hemp that will comply with the 0.3 percent THC limit established in this division.

(11) A registrant that grows industrial hemp shall retain an original signed copy of the laboratory test report for two years from its date of sampling, make an original signed copy of the laboratory test report available to the department, the commissioner, or law enforcement officials or their designees upon request, and shall provide an original copy of the laboratory test report to each person purchasing, transporting, or otherwise obtaining from the registrant that grows industrial hemp the fiber, oil, cake, or seed, or any component of the seed, of the plant.

SEC. 9. Section 81007 of the Food and Agricultural Code is amended to read:
81007. (a) As part of the registration program established pursuant to this division, the department may establish and carry out, by regulation, an agricultural pilot program pursuant to Section 7606 of the federal Agricultural Act of 2014 (7 U.S.C. Sec. 5940) in accordance with the purposes of that section.

(b) This section shall remain operative only until the date on which a state plan for California is approved pursuant to Section 297B of the federal Agricultural Marketing Act of 1946 (added by Section 10113 of the federal Agricultural Improvement Act of 2018 (Public Law 115-334)), and as of January 1 of the following year is repealed.

SEC. 10. Section 81008 of the Food and Agricultural Code is amended to read:
81008. Attorney General Reports; Requirements.

(a) Not later than January 1, 2019, the Attorney General shall report to the Assembly and Senate Committees on Agriculture and the Assembly and Senate Committees on Public Safety the reported incidents, if any, of the following:

(1) A field of industrial hemp being used to disguise marijuana cultivation.

(2) Claims in a court hearing by persons other than those exempted in paragraph (1) of subdivision (f) (e) of Section 81006 that marijuana is industrial hemp.

(b) A report submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

(c) Pursuant to Section 10231.5 of the Government Code, this section is repealed on January 1, 2023, or four years after the date that the report is due, whichever is later.

SEC. 11. Section 81011 of the Food and Agricultural Code is amended to read:

81011. (a) Before cultivating industrial hemp, an established agricultural research institution shall provide the Global Positioning System coordinates of the planned cultivation site to the commissioner of the county in which the site is located.

(b) This section shall remain operative only until the date on which a state plan for California is approved pursuant to Section 297B of the federal Agricultural Marketing Act of 1946 (added by Section 10113 of the federal Agricultural Improvement Act of 2018 (Public Law 115-334)), and as of January 1 of the following year is repealed.

SEC. 12. Section 81013.5 is added to the Food and Agricultural Code, to read:

81013.5. In furtherance of their responsibilities to locally enforce the state industrial hemp program, a commissioner may request and receive state and federal criminal history information from a local law enforcement agency to the extent necessary to determine whether a prospective participant is eligible to participate in the program pursuant to Section 81013. If the local law enforcement agency agrees to provide the requested information to the commissioner, the agency shall obtain the requested information from the California Law Enforcement Telecommunications System (CLETs) and shall send the information to the requesting commissioner within 72 hours of the commissioner's written request. A local law enforcement agency may charge a fee to the prospective participant not to exceed the actual expense to the law enforcement agency of obtaining the information from CLETS and providing it to the commissioner.

SEC. 13. Section 11018.5 of the Health and Safety Code is amended to read:

11018.5. (a) "Industrial hemp" means a crop that is limited to types of the plant *Cannabis sativa L.* having no more than three-tenths of 1 percent tetrahydrocannabinol (THC) contained in the dried flowering tops, whether growing or not; the seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin produced therefrom.

(b) Industrial hemp shall not be subject to the provisions of this division or of Division 10 (commencing with Section 26000) of the Business and Professions Code, but instead shall be regulated by the Department of Food and Agriculture in accordance with the provisions of Division 24 (commencing with Section 81000) of the Food and Agricultural Code, inclusive.

(c) This section shall become inoperative on May 1, 2021, and, as of January 1, 2022, is repealed.

SEC. 14. Section 11018.5 is added to the Health and Safety Code, to read:

11018.5. (a) "Industrial hemp" or "hemp" means an agricultural product, whether growing or not, that is limited to types of the plant *Cannabis sativa* L. and any part of that plant, including the seeds of the plant and all derivatives, extracts, the resin extracted from any part of the plant, cannabinoids, isomers, acids, salts, and salts of isomers, with a delta-9 tetrahydrocannabinol concentration of no more than 0.3 percent on a dry weight basis.

(b) Industrial hemp shall not be subject to the provisions of this division or of Division 10 (commencing with Section 26000) of the Business and Professions Code, but instead shall be regulated by the Department of Food and Agriculture in accordance with the provisions of Division 24 (commencing with Section 81000) of the Food and Agricultural Code, inclusive.

(c) This section shall become operative May 1, 2021.

SEC. 15. Section 100425 of the Health and Safety Code is amended to read:

100425. (a) The fees or charges for the issuance or renewal of any permit, license, registration, or document pursuant to Sections 1639.5, 1676, 1677, 2805, 11839.25, 103625, 106700, 106890, 106925, 107080, 107090, 107095, 107160, 110210, 110470, 111130, 111140, 111630, 112405, 112510, 112750, 112755, 113060, 113065, 114065, 115035, 115065, 115080, 117923, 117995, 118045, 118210, and 118245 shall be adjusted annually by the percentage change printed in the Budget Act for those items appropriating funds to the state department. After the first annual adjustment of fees or charges pursuant to this section, the fees or charges subject to subsequent adjustment shall be the fees or charges for the prior calendar year. The percentage change shall be determined by the Department of Finance, and shall include at least the total percentage change in salaries and operating expenses of the state department. However, the total increase in amounts collected under this section shall not exceed the total increased cost of the program or service provided.

(b) The state department shall publish annually a list of the actual numerical fee charges for each permit, license, certification, or registration governed by this section.

(c) This adjustment of fees and publication of the fee list shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(d) With respect to the fees or charges pursuant to Section 103625, the actual dollar fee or charge shall be rounded to the nearest whole dollar.

~~(e) This section shall become operative on January 1, 2014.~~

(e) This section shall become inoperative on May 1, 2021, and, as of January 1, 2022, is repealed.

SEC. 16. Section 100425 is added to the Health and Safety Code, to read:

100425. (a) The fees or charges for the issuance or renewal of any permit, license, registration, or document pursuant to Sections 1639.5, 1676, 1677, 2805, 11839.25, 103625, 106700, 106890, 106925, 107080, 107090, 107095, 107160, 110210, 110470, 110471, 111130, 111140, 111630, 111923.5, 111923.6, 112405, 112510, 112750, 112755, 113060, 113065, 114065, 115035, 115065, 115080, 117923, 117995, 118045, 118210, and 118245 shall be adjusted annually by the percentage change printed in the Budget Act for those items appropriating funds to the department. After

the first annual adjustment of fees or charges pursuant to this section, the fees or charges subject to subsequent adjustment shall be the fees or charges for the prior calendar year. The percentage change shall be determined by the Department of Finance, and shall include at least the total percentage change in salaries and operating expenses of the department. However, the total increase in amounts collected under this section shall not exceed the total increased cost of the program or service provided.

(b) The department shall publish annually a list of the actual numerical fee charges for each permit, license, certification, or registration governed by this section.

(c) This adjustment of fees and publication of the fee list shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(d) With respect to the fees or charges pursuant to Section 103625, the actual dollar fee or charge shall be rounded to the nearest whole dollar.

(e) This section shall become operative on May 1, 2021.

SEC. 17. Section 110036 is added to the Health and Safety Code, to read:

110036. (a) All laws and regulations pertaining to industrial hemp products shall remain in effect until the adoption of regulations pursuant to the federal law that authorizes industrial hemp products. At that time, the department shall adopt new regulations as necessary pursuant to the federal law.

(b) This section shall become operative on May 1, 2021.

SEC. 18. Section 110065 of the Health and Safety Code is amended to read:

110065. (a) The department may adopt any regulations that it determines are necessary for the enforcement of this part. The regulations shall be adopted by the department in the manner prescribed by Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The department shall, insofar as practicable, make these regulations conform with those adopted under the federal act or by the United States Department of Agriculture or by the Internal Revenue Service of the United States Treasury Department.

(b) This section shall become inoperative on May 1, 2021, and, as of January 1, 2022, is repealed.

SEC. 19. Section 110065 is added to the Health and Safety Code, to read:

110065. (a) The department may adopt any regulations that it determines are necessary for the enforcement of this part. The regulations shall be adopted by the department in the manner prescribed by Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The department shall, insofar as practicable, make these regulations conform with those adopted under the federal act or by the United States Department of Agriculture or by the Internal Revenue Service of the United States Treasury Department.

(b) (1) The department may adopt emergency regulations to implement this division.

(2) The department may readopt any emergency regulation authorized by this section that is the same as, or substantially equivalent to, an emergency regulation previously adopted as authorized by this section. That readoption shall be limited to one time for each regulation.

(3) Notwithstanding any other law, the initial adoption of emergency regulations and the readoption of emergency regulations authorized by this section shall be deemed an emergency and necessary for the immediate preservation of the public peace, health,

safety, or general welfare. The initial emergency regulations and the readopted emergency regulations authorized by this section shall be each submitted to the Office of Administrative Law for filing with the Secretary of State and shall remain in effect for no more than 180 days, by which time final regulations shall be adopted.

(c) Initial regulations regarding industrial hemp shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), except that the department shall post the proposed regulations on its internet website for public comment for 30 days. The comments received shall be considered by the department and the final adopted regulations shall be filed with the Office of Administrative Law for publication in the California Code of Regulations. This exemption does not apply to regulations adopted pursuant to Section 111921.3 or 111922.

(d) This section shall become operative on May 1, 2021.

SEC. 20. Section 110407 is added to the Health and Safety Code, to read:

110407. (a) A manufacturer, distributor, or seller of an industrial hemp product shall not include on the label of the product, or publish or disseminate in advertising or marketing, any health-related statement that is untrue in any particular manner or that tends to create a misleading impression as to the health effects of consuming products containing industrial hemp or cannabinoids, extracts, or derivatives from industrial hemp in violation of this part.

(b) For purposes of this section, “health-related statement” means a statement related to health, and includes a statement of a curative or therapeutic nature that, expressly or impliedly, suggests a relationship between the consumption of industrial hemp or industrial hemp products and health benefits or effects on health. However, “health related statement” does not include statements required to be made pursuant to federal Food and Drug Administration regulations for active ingredients in prescription drugs, nonprescription over the counter drugs containing inactive ingredients, or properly substantiated structure-function claims allowed for dietary supplements.

(c) This section shall become operative on May 1, 2021.

SEC. 21. Section 110469 is added to the Health and Safety Code, to read:

110469. (a) A wholesale food manufacturing facility that manufactures products that contain industrial hemp shall be registered in accordance with Section 110460 and shall comply with good manufacturing practices as defined in Section 110105 and as determined by the department in regulation.

(b) Industrial hemp shall not be used in dietary supplements or food products unless the manufacturer demonstrates both of the following:

(1) All parts of the hemp plant used in dietary supplements or food products come from a state or country that has an established and approved industrial hemp program that inspects or regulates hemp under a food safety program or equivalent criteria to ensure safety for human or animal consumption.

(2) The industrial hemp cultivator or grower is in good standing and in compliance with the governing laws of the state or country of origin.

(c) This section shall become operative on May 1, 2021.

SEC. 22. Section 110611 is added to the Health and Safety Code, to read:

110611. (a) Except as provided in Section 25621.5 of the Business and Professions Code, a dietary supplement, food, or beverage is not adulterated by the

inclusion of industrial hemp, as defined in Section 11018.5, as long as the cannabinoids, extracts, or derivatives from industrial hemp meet the requirements established in Chapter 9 (commencing with Section 111920). The sale of a dietary supplement, food, or beverage that includes industrial hemp or cannabinoids, extracts, or derivatives from industrial hemp shall not be restricted or prohibited based solely on the inclusion of industrial hemp provided that the cannabinoids, extracts, or derivatives from industrial hemp meet the requirements of Chapter 9 (commencing with Section 111920).

(b) This section shall become operative on May 1, 2021.

SEC. 23. Section 111691 is added to the Health and Safety Code, to read:

111691. (a) A cosmetic is not adulterated because it includes industrial hemp, as defined in Section 11018.5, as long as the cannabinoids, extracts, or derivatives from industrial hemp meet the requirements established in Chapter 9 (commencing with Section 111920). The sale of a cosmetic that includes industrial hemp or cannabinoids, extracts, or derivatives from industrial hemp shall not be restricted or prohibited based solely on the inclusion of industrial hemp provided that the cannabinoids, extracts, or derivatives from industrial hemp meet the requirements established in Chapter 9 (commencing with Section 111920).

(b) This section shall become operative on May 1, 2021.

SEC. 24. Chapter 9 (commencing with Section 111920) is added to Part 5 of Division 104 of the Health and Safety Code, to read:

CHAPTER 9. INDUSTRIAL HEMP

Article 1. Definitions

111920. For purposes of this chapter, the following definitions apply:

(a) "Established and approved industrial hemp program" means a program that meets any applicable requirements set forth in federal law regarding the lawful and safe cultivation of industrial hemp.

(b) "Final form product" is a product intended for consumer use to be sold at a retail premise.

(c) "Hemp manufacturer" means either of the following:

(1) A processor extracting cannabinoids from hemp biomass.

(2) A processor purchasing industrial hemp raw extract for the purpose of manufacturing a final form product.

(d) "Independent testing laboratory" means a laboratory that meets all of the following requirements:

(1) Does not have a direct or indirect interest in the entity for which testing is being done.

(2) Does not have a direct or indirect interest in a facility that cultivates, processes, distributes, dispenses, or sells raw hemp products in this state or in another jurisdiction.

(3) Does not have a license issued pursuant to Division 10 (commencing with Section 26000) of the Business and Professions Code, other than as a licensed testing laboratory.

(4) Is either of the following:

(A) A testing laboratory licensed pursuant to Division 10 (commencing with Section 26000) of the Business and Professions Code, if the licensed testing lab has notified the Bureau of Cannabis Control.

(B) Accredited by a third-party accrediting body as a competent testing laboratory pursuant to ISO/IEC 17025 of the International Organization for Standardization.

(e) "Industrial hemp" has the same meaning as in Section 11018.5. "Industrial hemp" does not include cannabinoids produced through chemical synthesis.

(f) (1) "Industrial hemp product" means a finished product containing industrial hemp that meets all of the following conditions:

(A) Is a cosmetic, food, food additive, dietary supplement, or herb.

(B) (i) Is for human or animal consumption.

(ii) "Animal" does not include livestock or a food animal as defined in Section 4825.1 of the Business and Professions Code.

(2) "Industrial hemp product" does not include industrial hemp or a hemp product that has been approved by the United States Food and Drug Administration or a hemp product that includes industrial hemp or hemp that has received Generally Recognized As Safe (GRAS) designation. For purposes of nonfood applications, "industrial hemp product" does not include a hemp product that contains derivatives, substances, or compounds derived from the seed of industrial hemp.

(g) (1) "Manufacture" or "manufacturing" means to compound, blend, extract, infuse, or otherwise make or prepare an industrial hemp product.

(2) "Manufacturing" includes all aspects of the extraction process, infusion process, and packaging and labeling processes, including processing, preparing, holding, and storing of industrial hemp products.

(3) "Manufacturing" also includes processing, preparing, holding, or storing hemp components and ingredients.

(4) "Manufacturing" does not include planting, growing, harvesting, drying, curing, grading, or trimming a plant or part of a plant.

(h) "Raw extract" or "industrial hemp raw extract" means extract not intended for consumer use and that contains a THC concentration of not more than an amount determined by the department in regulation.

(i) "Raw hemp product" means a product that is derived from industrial hemp that is intended to be included in a food, beverage, dietary supplement, or cosmetic.

(j) "Retail" has the same meaning as in Section 113895.

(k) "THC" and "delta-9 THC" means tetrahydrocannabinol, Chemical Abstracts Service (CAS) number 1972-08-3.

(l) "THCA" means tetrahydrocannabinolic acid, CAS number 23978-85-0.

(m) "Total THC" means the sum of THC and THCA. Total THC shall be calculated using the following equation: total THC concentration (mg/g) = (THCA concentration (mg/g) x 0.877) + THC concentration (mg/g).

Article 2. General Provisions

111921. An industrial hemp product shall not be distributed or sold in the state except in conformity with all applicable state laws and regulations, including this chapter and any regulations promulgated thereunder, and with documentation that includes both of the following:

(a) A certificate of analysis from an independent testing laboratory that confirms both of the following:

(1) The industrial hemp raw extract, in its final form, does not exceed THC concentration of an amount determined allowable by the department in regulation, or the final form product does not exceed THC concentration of 0.3 percent.

(2) The industrial hemp product was tested for any hemp derivatives identified on the product label or in associated advertising.

(b) The industrial hemp product was produced from industrial hemp grown in compliance with Division 24 (commencing with Section 81000) of the Food and Agricultural Code if sourced from within California, or licensed in accordance with United States Department of Agriculture (USDA) requirements if sourced from outside the state.

111921.3. The department may adopt regulations imposing an age requirement for the sale of certain industrial hemp products upon a finding of a threat to public health based on scientific research.

111921.5. (a) Unless explicitly approved by the federal Food and Drug Administration, industrial hemp shall not be included in products in any of the following categories:

(1) Medical devices.

(2) Prescription drugs.

(3) Processed smokable products, including, but not limited to, electronic cigarettes with nicotine.

(4) Smokable flower, including, but not limited to, hookah and shisha with nicotine.

(5) A product containing nicotine, tobacco, or alcohol.

(b) The department may prohibit the inclusion of industrial hemp in other products when it poses a risk to human or animal health through regulation.

(c) Cannabis and cannabis products are not subject to this section.

111921.7. This chapter shall become operative on May 1, 2021.

Article 3. Manufacture

111922. (a) The department, through regulation, may determine maximum serving sizes for hemp-derived cannabinoids, hemp extract, and products derived therefrom, active cannabinoid concentration per serving size, the number of servings per container, and any other requirements for foods and beverages.

(b) Food and beverages shall be prepackaged and shelf stable.

111922.3. (a) A hemp manufacturer who produces raw extract that will only be used for dietary supplements, foods, beverages, and cosmetics, or a hemp manufacturer who produces industrial hemp products shall comply with this chapter and, to the extent applicable, this part.

(b) A hemp manufacturer who produces processed pet food products shall comply with this chapter and Chapter 10 (commencing with Section 113025) of Part 6 and shall follow good manufacturing practices pursuant to those provisions.

Article 4. Licensing and Fees

111923. (a) The Industrial Hemp Enrollment and Oversight Fund is hereby established in the State Treasury. All money received by the department pursuant to Section 111923.5 shall be deposited into this fund and shall be expended by the department, upon appropriation by the Legislature, to carry out and implement this chapter. Moneys in this fund shall not be redirected for any other purpose.

(b) The Industrial Hemp Research Fund is hereby established in the State Treasury. All money received by the department pursuant to Section 111923.6 shall be deposited into this fund and expended by the Regents of the University of California, upon appropriation by the Legislature, to carry out and implement Section 111936. Moneys in this fund shall not be redirected for any other purpose.

111923.3. (a) (1) A hemp manufacturer who produces an industrial hemp product that is a food or beverage shall register with the department pursuant to Article 2 (commencing with Section 110460) of Chapter 5.

(2) Sections 110473 and 110474 shall not apply to dietary supplements and food products that include industrial hemp.

(b) Notwithstanding the voluntary nature of registration provided in Section 111795, a hemp manufacturer who produces an industrial hemp product that is a cosmetic shall register pursuant to Article 4 (commencing with Section 111795) of Chapter 7.

(c) A hemp manufacturer who produces an industrial hemp product that is a processed pet food shall obtain a license pursuant to Article 2 (commencing with Section 113060) of Chapter 10 of Part 6.

(d) (1) An in-state hemp manufacturer who produces raw hemp extract and who does not produce an industrial hemp product, or an out-of-state hemp manufacturer who produces raw hemp extract with the intent to import that raw hemp extract into this state, shall register with the department pursuant to Article 2 (commencing with Section 110460) of Chapter 5.

(2) Sections 110473 and 110474 shall not apply to hemp manufacturers who register pursuant to this subdivision.

(e) All hemp manufacturers shall notify the department immediately of any change of information in their application for a license of registration.

111923.5. (a) In addition to licensing and registration requirements and fees required pursuant to other applicable laws, as specified in Section 111923.3, a hemp manufacturer shall obtain an industrial hemp enrollment and oversight authorization from the department. Authorization shall be renewed annually.

(b) The department shall assess an authorization fee and renewal fee to cover the actual reasonable costs of implementing the regulatory program in this chapter, not to exceed one thousand dollars (\$1,000) per company. Fees may be set at different amounts for different hemp manufacturer types, including food products, cosmetic products, and pet food products, based on the differing costs associated with regulatory requirements, including, but not limited to, the nature and scope of the authorization activities and oversight, inspection, and enforcement activities.

(c) The fee shall be adjusted pursuant to Section 100425.

(d) Fees may be prorated based upon the date of the renewal or issuance of the authorization.

111923.6. (a) In addition to the fee required pursuant to 111923.5, a hemp manufacturer shall pay an annual fee of two hundred fifty dollars (\$250) to support research on the health effects of hemp-derived cannabinoids.

(b) This fee shall not be prorated and the date of renewal shall align with the renewal of the authorization pursuant to Section 111923.5.

(c) The fee imposed by this section shall be adjusted pursuant to Section 100425.

111923.7. A hemp manufacturer located outside the state shall reimburse the department for travel and per diem required to perform necessary onsite inspections at the facility to ensure compliance with this chapter and related activities pursuant to this part.

111923.9. A hemp manufacturer or retailer who is operating in conformance with this part and in good faith compliance with their responsibilities under this chapter may manufacture or sell industrial hemp products or raw hemp extract on and after May 1, 2021. The department shall exercise enforcement discretion on the manufacture or sale of industrial hemp products until May 1, 2021.

Article 5. Recordkeeping

111924. The department may adopt regulations for recordkeeping standards that shall apply to transporters, manufacturers, and retailers of industrial hemp product and raw extract.

Article 6. Testing Requirements

111925. (a) A hemp manufacturer shall meet all of the following testing requirements:

(1) Industrial hemp shall be tested in raw extract final form, to allow its use as an ingredient, prior to being incorporated into a product.

(2) Testing shall be completed by an independent testing laboratory.

(3) The manufacturer of the hemp extract in its final form or the final form product shall be able to prove total THC concentration is below 0.3 percent. A manufacturer of raw extract shall be able to prove that the THC concentration meets department requirements set forth pursuant to subdivision (a) of Section 111921.

(b) The department may regulate and restrict the cap on extract and may cap the amount of total THC concentration at the product level based on the product form, volume, number of servings, ratio of cannabinoids to THC in the product, or other factors, as needed.

111925.2. A raw hemp product shall not be distributed or sold in this state without a certificate of analysis from an independent testing laboratory that confirms all of the following:

(a) The raw hemp product is the product of a batch of industrial hemp that was tested by the independent testing laboratory.

(b) A tested random sample of the batch of industrial hemp contained a total THC concentration that did not exceed 0.3 percent on a dry-weight basis.

(c) The tested sample of the batch did not contain contaminants that are unsafe for human or animal consumption.

111925.4. (a) As of the effective date of the act adding this chapter, testing requirements for contaminant levels shall be the same as those for cannabis, as established in paragraph (2) of subdivision (d) of Section 26100 of the Business and Professions Code and regulations adopted pursuant thereto.

(b) The department may adjust the specific contaminant levels for industrial hemp by regulation.

111925.6. (a) A product batch may be reprocessed or remediated after failed testing, but the batch shall not be distributed or sold unless the reprocessed or remediated batch has been retested and successfully passed all the analyses required pursuant to this article.

(b) If the batch cannot be reprocessed or remediated, the product batch shall be destroyed.

(c) If a failed product batch is not reprocessed or remediated in any way, it shall not be retested. Subsequent certificates of analysis produced without reprocessing or remediation of the failed product batch shall not supersede the initial regulatory compliance testing certificate of analysis.

(d) This section shall not prevent a product batch from being retested when the certificate of analysis was obtained 12 months prior or more.

(e) (1) Reprocessing or remediation shall be an available remedy for failed product batches in all industrial hemp product categories and raw extract.

(2) Remediation is not allowed once a product enters the retail market.

(f) A failed product batch that cannot be reprocessed or remediated shall be destroyed, at the expense of the owner, on video surveillance, as authorized by the department, or under the supervision of an authorized agent of the department.

Article 7. Labeling and Advertisement

111926. (a) A manufacturer, distributor, or seller of an industrial hemp product shall follow packaging, labeling, and advertising laws, including, but not limited to, Chapter 4 (commencing with Section 110290), and federal laws incorporated or applicable in this state, including, but not limited to, Sections 110100, 110340, 110371, 110380, 110382, and 110407 and shall not violate this part.

(b) A hemp manufacturer shall not directly target advertising or marketing to children or to persons who are pregnant or breastfeeding.

(c) Advertising or marketing placed in broadcast, cable, radio, print, or digital communications shall only be displayed where at least 70 percent of the audience is reasonably expected to be 18 years of age or older, as determined by reliable, up-to-date audience composition data.

111926.2. (a) An industrial hemp product that is a dietary supplement, food, or beverage shall not be distributed or sold in the state without packaging and labeling on the product that includes all of the following information:

(1) A label, scannable barcode, internet website, or quick response (QR) code linked to the certificate of analysis of the final form product batch by an independent testing laboratory that provides all of the following information:

(A) The product name.

(B) The name of the product's manufacturer, packer, or distributor, and their address and telephone number.

- (C) The batch number, which matches the batch number on the product.
 - (D) The concentration of cannabinoids present in the product batch, including, at minimum, total THC and any marketed cannabinoids or ingredient, as required by the department in regulation.
 - (E) The levels within the product batch of contaminants, as required in subdivision (c) of Section 111925.2.
 - (2) The product expiration or best by date, if applicable.
 - (3) A statement indicating that children or those who are pregnant or breastfeeding should consult with a health care professional before using the product.
 - (4) A statement that products containing cannabinoids should be kept out of reach of children.
 - (5) The following statement, “THE FDA HAS NOT EVALUATED THIS PRODUCT FOR SAFETY OR EFFICACY.”
 - (b) The requirements of this section shall apply to products manufactured 90 days or more after the enactment of this section.
- 111926.3. (a) An industrial hemp product that is a cosmetic shall not be distributed or sold in the state without packaging and labeling on the product that includes all of the following information:
- (1) A label, scannable barcode, internet website, or quick response (QR) code linked to the certificate of analysis of the final form extract or the final form product batch by an independent testing laboratory that provides all of the following information:
 - (A) The product name.
 - (B) The name of the product’s manufacturer, packer, or distributor, and their address and telephone number.
 - (C) The batch number, which matches the batch number on the product.
 - (D) The concentration of cannabinoids present in the product batch, including, at minimum, total THC and any marketed cannabinoids.
 - (E) The levels within the product batch of contaminants, as required in subdivision (c) of Section 111925.2.
 - (2) The product expiration or best by date, if applicable.
 - (3) The following statement, “THE FDA HAS NOT EVALUATED THIS PRODUCT FOR SAFETY OR EFFICACY.”
 - (b) The requirements of this section shall apply to products manufactured 90 days or more after the enactment of this section.

Article 8. Enforcement

111927. (a) The department shall have the seizure and embargo powers provided for in Article 3 (commencing with Section 111860) of Chapter 7 with respect to industrial hemp products and raw extract.
- (b) The department shall have the ability to recall industrial hemp products or raw extract that it determines to be dangerous to the public in the manner prescribed in Section 110806.
- 111927.2. (a) In addition to the inspection authority provided elsewhere in this part, the department may inspect financial data, sales data, and personnel data, as needed to enforce this chapter.

(b) State, local, or law enforcement officials may review paperwork from those handling or transporting industrial hemp plant material, raw extract, intermediary industrial hemp product, or final finished product and take samples at any point along the supply chain to test that sample for verification.

(c) Upon inspection, if the industrial hemp plant material, raw extract, intermediary industrial hemp product, or final finished product does not meet the definition of industrial hemp, the state, local, or law enforcement official shall notify the department.

(d) (1) State, local, and law enforcement officials shall immediately notify the department of an arrest made for a violation over which the department has jurisdiction that involves a person authorized pursuant to this chapter.

(2) The department shall promptly investigate whether grounds exist for suspension or revocation of the authorization or if other actions are warranted under this part.

111927.4. Violations of this chapter are subject to the fines and penalties established in Article 1 (commencing with Section 111825) of Chapter 8.

Article 9. Agency Coordination

111928. (a) The Department of Food and Agriculture and the State Department of Public Health, in consultation with the Bureau of Cannabis Control, if necessary, shall develop a process to share license, registration, cultivar, and enforcement information to facilitate compliance and enforcement against unlicensed manufacturers and retailers of industrial hemp product and raw extract.

(b) Communications shared between state agencies and local and law enforcement officials regarding license, registration, cultivar, and enforcement information of manufacturers and retailers of industrial hemp products and raw extract shall not be subject the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) and shall be considered "official information" pursuant to Section 1040 of the Evidence Code.

111928.5. (a) On or before July 1, 2021, the cannabis licensing authorities, as defined in Section 26001 of the Business and Professions Code, shall prepare a report to the Governor outlining the steps necessary to allow for the incorporation of hemp cannabinoids, extracts, and derivatives into the cannabis supply chain. The report shall include, but not be limited to, the incorporation of hemp cannabinoids, extracts, and derivatives into manufactured cannabis products and the sale of hemp products at cannabis retailers.

(b) (1) The report to be submitted pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

(2) Pursuant to Section 10231.5 of the Government Code, this section is repealed on January 1, 2025.

Article 10. Industrial Hemp Research Program

111929. (a) It is the intent of the Legislature that objective scientific research regarding the safety of industrial hemp be conducted.

(b) If the Regents of the University of California, by appropriate resolution, accepts this responsibility, the University of California shall create a program, to be known as the California Industrial Hemp Research Program.

(c) The program shall develop and conduct studies intended to ascertain the general safety of industrial hemp. The program may solicit proposals for research projects to be included in the industrial hemp studies.

(d) Proposals shall demonstrate the use of key personnel, including clinicians or scientists and support personnel, who are prepared to develop a program of research regarding industrial hemp safety.

SEC. 25. Section 113091 is added to the Health and Safety Code, to read:

113091. (a) A processed pet food is not adulterated because it includes industrial hemp, as defined in Section 11018.5, or cannabinoids, extracts, or derivatives from industrial hemp, if the cannabinoids, extracts, or derivatives from industrial hemp meet the requirements established in Chapter 9 (commencing with Section 111920) of Part 5. The sale of processed pet food that includes industrial hemp or cannabinoids, extracts, or derivatives from industrial hemp shall not be restricted or prohibited based solely on the inclusion of industrial hemp or cannabinoids, extracts, or derivatives from industrial hemp, if the cannabinoids, extracts, or derivatives from industrial hemp meet the requirements established in Chapter 9 (commencing with Section 111920) of Part 5.

(b) This section shall become operative on May 1, 2021.

SEC. 26. The Legislature finds and declares that Section 24 of this act, which adds Section 111928 to the Health and Safety Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

The Legislature finds that the information to be shared is proprietary business information.

SEC. 27. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 28. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to protect a rapidly expanding industry relating to derivatives from industrial hemp in California and to reduce inconsistency in implementation of state and federal law, it is necessary that this bill take effect immediately.

Amendment 5
On page 2, strike out line 1 and strike out pages 3 to 7, inclusive

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SECURED
COPY

PROPOSED AMENDMENTS TO ASSEMBLY BILL NO. 2028

AMENDED IN SENATE AUGUST 20, 2020

AMENDED IN SENATE JULY 28, 2020

AMENDED IN SENATE JULY 8, 2020

AMENDED IN ASSEMBLY JUNE 4, 2020

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 2028



RN2015804

Introduced by Assembly Member Aguiar-Curry

(Principal coauthor: Senator Wilk)

(Coauthor: ~~Assembly Member Gonzalez~~)

(Coauthor: Assembly Member Wicks)

January 30, 2020

Amendment 1
Amendment 2

~~An act to amend Section 11125.7 of the Government Code, relating to public meetings.~~ An act to amend Sections 81000, 81002, 81003, 81004, 81004.5, 81006, and 81008 of, to amend and repeal Sections 81007 and 81011 of, and to add Sections 81004.6 and 81013.5 to, the Food and Agricultural Code, and to amend, repeal, and add Sections 11018.5, 100425, and 110065 of, to add Sections 110036, 110407, 110469, 110611, 111691, and 113091 to, to add Chapter 9 (commencing with Section 111920) to Part 5 of Division 104 of, and to repeal Section 111928.5 of, the Health and Safety Code, relating to industrial hemp, and declaring the urgency thereof, to take effect immediately.

Amendment 3

LEGISLATIVE COUNSEL'S DIGEST

AB 2028, as amended, Aguiar-Curry. ~~State agencies: meetings.~~ Industrial hemp products.

(1) Existing law, the Sherman Food, Drug, and Cosmetic Law, prohibits the manufacture, sale, delivery, holding, or offer for sale of adulterated foods, beverages, or cosmetics. Existing law prescribes when a food or beverage is adulterated, including if it bears or contains any poisonous or deleterious substance that may render it injurious to the health of a person or other animal that may consume it. Existing law prescribes when a cosmetic is adulterated, including when it bears or contains a poisonous or deleterious substance that may render it injurious to users under the conditions of use prescribed in the labeling or advertisement of the cosmetic, under customary or usual conditions.

The Sherman Food, Drug, and Cosmetic Law, among other things, regulates the labeling of food, beverages, and cosmetics and makes it a crime to distribute in commerce any food, drug, device, or cosmetic if its packaging or labeling does not conform to these provisions. Existing law also makes it unlawful for a person to disseminate any false advertisement of any food, drug, device, or cosmetic. Violation of the Sherman Food, Drug, and Cosmetic Law is a misdemeanor.

Existing law requires a person who manufactures pet food in California to obtain a license from the State Department of Public Health. Existing law also prohibits the manufacture, sale, or delivery of a pet food ingredient or processed pet food that is adulterated and defines “adulterated” for this purpose.

This bill, commencing May 1, 2021, would require a manufacturer of dietary supplements and food that includes industrial hemp to be able to demonstrate that all parts of the plant used come from a state or country that has an established and approved industrial hemp program, as defined, that inspects or regulates hemp under a food safety program or equivalent criteria to ensure safety for human or animal consumption and that the industrial hemp cultivator or grower is in good standing and compliance with the governing laws of the state or country of origin.

This bill, commencing May 1, 2021, would state that a dietary supplement, food, beverage, cosmetic, or pet food is not adulterated by the inclusion of industrial hemp or cannabinoids, extracts, or derivatives from industrial hemp if those substances meet specified requirements, and would prohibit restrictions on the sale of dietary supplements, food, beverages, cosmetics, or pet food that include industrial hemp or cannabinoids, extracts, or derivatives from industrial hemp based solely on the inclusion of those substances.

The bill, commencing May 1, 2021, would also prohibit a manufacturer, distributor, or seller of an industrial hemp product from including on the label, or publishing or disseminating in advertising or marketing, a health-related statement, as defined, that is untrue in any particular manner or that tends to create a misleading impression as to the effects on health of consuming products containing industrial hemp or cannabinoids, extracts, or derivatives from industrial hemp. By creating a new crime, this bill would impose a state-mandated local program.

This bill, commencing May 1, 2021, would create an authorization process for hemp manufacturers who produce specified products that include industrial hemp or who produce raw hemp extract, as defined, including requirements for testing and labeling on products. The bill would authorize the department to collect specified fees, which would be used, upon appropriation, to implement the program. By creating a new crime, this bill would impose a state-mandated local program.

The bill would also impose a \$250 fee on each manufacturer who produces industrial hemp products or raw hemp extract, to be used, upon appropriation, to fund an Industrial Hemp Research Program at the University of California.

The bill would require the Department of Food and Agriculture and the State Department of Public Health, in consultation with the Bureau of Cannabis Control, if necessary, to develop a process to share license, registration, cultivar, and enforcement information to facilitate compliance and enforcement against unlicensed industrial hemp product and raw extract manufacturers and retailers. The bill would make communications shared between these agencies and local law enforcement for this purpose exempt from the California Public Records Act.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

Existing law provides that, except as otherwise provided by statute, all relevant evidence is admissible. The California Constitution provides for the Right to Truth-in-Evidence, which requires a 2/3 vote of the Legislature to exclude any relevant evidence from any criminal proceeding, as specified.

This bill would make communications shared between agencies pursuant to the above provisions official information, which may be privileged and made inadmissible in an action or proceeding, thereby requiring a $\frac{2}{3}$ vote.

(2) Existing law governs the cultivation of industrial hemp in this state and establishes a registration program administered by county agricultural commissioners and the Department of Food and Agriculture for growers of industrial hemp, hemp breeders, and established agricultural research institutions, as defined. Existing law requires specified registrants that grow industrial hemp, before the harvest of each crop, to obtain a laboratory test report indicating the THC (delta-9 tetrahydrocannabinol) levels of a random sampling of the industrial hemp, and requires that sampling to occur no more than 30 days before harvest. Existing law requires a registrant that grows industrial hemp to destroy the industrial hemp grown upon receipt of a laboratory test report indicating a percentage concentration of THC that exceeds a specified level. Unless otherwise provided, a violation of these provisions is a crime.

This bill, instead, would require the sampling to occur within a timeframe determined by the department. The bill would require a registrant to destroy or dispose of the industrial hemp grown upon receipt of a laboratory test result described above. The bill would require that laboratory test reports of hemp include the measurement of uncertainty, as defined, associated with the test results. The bill would also require laboratories to use appropriate, validated methods and procedures for all testing activities, including when estimating the measurement of uncertainty. By adding new requirements for hemp testing, the violation of which could be a crime, this bill would impose a state-mandated local program.

Existing law prohibits a person convicted of a felony relating to a controlled substance under state or federal law before, on, or after January 1, 2020, from participating in the industrial hemp program for 10 years after the date of conviction. Existing law directs the Attorney General to furnish state summary criminal history information, as defined, to specified individuals, organizations, and agencies when necessary for the execution of official duties or to implement a statute or regulation. Existing law makes it a misdemeanor for a person who is authorized by law to receive state summary criminal history information to knowingly furnish that information to a person who is not authorized.

This bill would authorize a commissioner to request and receive state and federal criminal history information from a local law enforcement agency to the extent necessary to determine whether a prospective participant is eligible to participate in the program. By expanding the scope of a crime, this bill would impose a state-mandated local program.

(3) Existing law requires the registration application for an established agricultural research institution to include, among other things, a plan for testing all of the plants cultivated. Existing law requires the registration application for a grower of industrial hemp to include, among other things, the approved cultivar to be grown, including the state or county of origin.

This bill would require the testing plan of an established agricultural research institution to provide for testing of a representative sample, instead of all, of the plants cultivated. The bill would require a grower of industrial hemp to include the country of origin, instead of the county of origin, of the approved cultivar in the registration application.

(4) Existing law requires the Department of Food and Agriculture to submit specified registration information to the United States Department of Agriculture.

This bill, instead, would require the department to submit information relating to registrations described in a specified federal regulation to the United States Department of Agriculture.

The bill would require each registered established agricultural research institution, registered grower of industrial hemp, and registered hemp breeder to report to the Farm Service Agency of the United States Department of Agriculture specified information regarding its hemp production in the state, including the location, acreage, and license or registration number associated with each location in the state where hemp will be produced. By imposing new reporting requirements, the violation of which could be a crime, this bill would impose a state-mandated local program.

(5) Existing federal law, the Agricultural Act of 2014, authorizes an institution of higher education, as defined, or a state department of agriculture, as defined, to grow or cultivate industrial hemp under an agricultural pilot program, as defined, under certain conditions. Existing federal law, the Agricultural Marketing Act of 1946, as amended by the Agriculture Improvement Act of 2018, requires a state desiring to have primary regulatory authority over the production of industrial hemp in the state to submit to the United States Secretary of Agriculture,

through the state department of agriculture, a plan, with specified contents, under which the state monitors and regulates hemp production.

Existing state law authorizes the Department of Food and Agriculture to establish and carry out an agricultural pilot program in accordance with the above-described provision of the federal Agricultural Act of 2014. Before cultivating industrial hemp, existing state law requires an established agricultural research institution to provide the Global Positioning System coordinates of the planned cultivation site to the county agricultural commissioner of the county in which the site is located.

This bill would make both of these provisions of state law inoperative on the date on which a state plan for California is approved by the United States Secretary of Agriculture, and would repeal these provisions on January 1 of the following year.

(6) Existing law, the Control, Regulate and Tax Adult Use of Marijuana Act (AUMA), added by Proposition 64 at the November 8, 2016, statewide general election, revised some provisions of state law regarding industrial hemp including, among others, the definition of “industrial hemp” that is used for purposes of the California Uniform Controlled Substances Act.

This bill, commencing May 1, 2021, would make technical, nonsubstantive changes to the definition of “industrial hemp” for purposes of the California Uniform Controlled Substances Act.

(7) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(8) This bill would declare that it is to take effect immediately as an urgency statute.

~~Existing law, the Bagley-Keene Open Meeting Act, requires that a state body provide an opportunity for members of the public to directly address the body on each agenda item. Existing law exempts from this requirement, among other things, an agenda item that has already been considered by a committee composed exclusively of members of the state body at a public meeting where members of the public were afforded an opportunity to address the committee on the item.~~

~~This bill would delete this exception, thereby making the requirement to provide an opportunity to address the state body applicable to an~~

agenda item for which the public had an opportunity to address it at a public meeting of a committee of the state body.

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: yes. State-mandated local program: ~~no~~^{yes}.

The people of the State of California do enact as follows:

- + SECTION 1. Section 81000 of the Food and Agricultural Code,
- + as amended by Section 2 of Chapter 838 of the Statutes of 2019,
- + is amended to read:
- + 81000. Definitions.
- + (a) For purposes of this division, the following terms have the
- + following meanings:
- + (1) “Approved state plan” means a state plan for California that
- + is approved pursuant to Section 297B of the federal Agricultural
- + Marketing Act of 1946 (added by Section 10113 of the federal
- + Agriculture Improvement Act of 2018 (Public Law 115-334)) and
- + in effect.
- + (2) “Board” means the Industrial Hemp Advisory Board.
- + (3) “Cultivar” means a variety of industrial hemp.
- + (4) “Established agricultural research institution” means an
- + institution that is either of the following:
- + (A) A public or private institution or organization that maintains
- + land or facilities for agricultural research, including colleges,
- + universities, agricultural research centers, and conservation research
- + centers.
- + (B) An institution of higher education, as defined in Section
- + 101 of the federal Higher Education Act of 1965 (20 U.S.C. Sec.
- + 1001), that grows, cultivates, or manufactures industrial hemp for
- + purposes of research conducted under an agricultural pilot program
- + or other agricultural or academic research.
- + (5) “Hemp breeder” means an individual or a public or private
- + institution or organization that is registered with the commissioner
- + to develop cultivars intended for sale or research.
- + (6) “Industrial hemp” or ~~“Hemp”~~ “hemp” means an agricultural
- + product, whether growing or not, that is limited to types of the
- + plant Cannabis sativa L. and any part of that plant, including the
- + seeds of the plant and all derivatives, extracts, the resin extracted
- + from any part of the plant, cannabinoids, isomers, acids, salts, and

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- + salts of isomers, with a delta-9 tetrahydrocannabinol concentration
- + of no more than 0.3 percent on a dry weight basis.
- + (7) “Industrial hemp program” means growth of industrial hemp
- + pursuant to this division and, if in effect, an approved state plan.
- + (8) “*Measurement of uncertainty*” means the parameter
- + associated with the result of a measurement that characterizes the
- + dispersion of the values that could reasonably be attributed to the
- + particular quantity subject to measurement.
- + ~~(8)~~
- + (9) “Premises” has the same meaning as defined in subdivision
- + (ap) of Section 26001 of the Business and Professions Code.
- + ~~(9)~~
- + (10) “THC” means delta-9 tetrahydrocannabinol.
- + ~~(10)~~
- + (11) “Variety development plan” means a strategy devised by
- + a hemp breeder, or applicant hemp breeder, detailing their planned
- + approach to growing and developing a new cultivar for industrial
- + hemp.
- + (b) This section shall remain operative only until the date on
- + which a state plan for California is approved pursuant to Section
- + 297B of the federal Agricultural Marketing Act of 1946 (added
- + by Section 10113 of the federal Agricultural Improvement Act of
- + 2018 (Public Law 115-334)), and as of January 1 of the following
- + year is repealed.
- + *SEC. 2. Section 81000 of the Food and Agricultural Code, as*
- + *added by Section 3 of Chapter 838 of the Statutes of 2019, is*
- + *amended to read:*
- + 81000. Definitions.
- + (a) For purposes of this division, the following terms have the
- + following meanings:
- + (1) “Approved state plan” means a state plan for California that
- + is approved pursuant to Section 297B of the federal Agricultural
- + Marketing Act of 1946 (added by Section 10113 of the federal
- + Agriculture Improvement Act of 2018 (Public Law 115-334)) and
- + in effect.
- + (2) “Board” means the Industrial Hemp Advisory Board.
- + (3) “Cultivar” means a variety of industrial hemp.
- + (4) “Established agricultural research institution” means an
- + institution of higher education, as defined in Section 101 of the
- + federal Higher Education Act of 1965 (20 U.S.C. Sec. 1001), that

+ grows, cultivates, or manufactures industrial hemp for purposes
+ of agricultural or academic research.

+ (5) “Hemp breeder” means an individual or a public or private
+ institution or organization that is registered with the commissioner
+ to develop cultivars intended for sale or research.

+ (6) “Industrial hemp” or ~~“Hemp”~~ “*hemp*” means an agricultural
+ product, whether growing or not, that is limited to types of the
+ plant *Cannabis sativa* L. and any part of that plant, including the
+ seeds of the plant and all derivatives, extracts, the resin extracted
+ from any part of the plant, cannabinoids, isomers, acids, salts, and
+ salts of isomers, with a delta-9 tetrahydrocannabinol concentration
+ of no more than 0.3 percent on a dry weight basis.

+ (7) “Industrial hemp program” means growth of industrial hemp
+ pursuant to this division and, if in effect, an approved state plan.

+ (8) “*Measurement of uncertainty*” means the parameter
+ associated with the result of a measurement that characterizes the
+ dispersion of the values that could reasonably be attributed to the
+ particular quantity subject to measurement.

+ ~~(8)~~

+ (9) “Premises” has the same meaning as defined in subdivision
+ (ap) of Section 26001 of the Business and Professions Code.

+ ~~(9)~~

+ (10) “Research plan” means a strategy devised by an established
+ agricultural research institution, or applicant established
+ agricultural research institution, detailing its planned approach to
+ growing or cultivating hemp for academic or agricultural research.

+ ~~(10)~~

+ (11) “THC” means delta-9 tetrahydrocannabinol.

+ ~~(11)~~

+ (12) “Variety development plan” means a strategy devised by
+ a hemp breeder, or applicant hemp breeder, detailing their planned
+ approach to growing and developing a new cultivar for industrial
+ hemp.

+ (b) This section shall become operative as of the date on which
+ a state plan for California is approved pursuant to Section 297B
+ of the federal Agricultural Marketing Act of 1946 (added by
+ Section 10113 of the federal Agricultural Improvement Act of
+ 2018 (Public Law 115-334)).

+ *SEC. 3. Section 81002 of the Food and Agricultural Code is*
+ *amended to read:*

+ 81002. (a) Except when grown by a registered established
+ agricultural research institution or by a registered hemp breeder
+ developing a new cultivar, industrial hemp shall be grown only if
+ it is on the list of approved cultivars, or produced by clonal
+ propagation of industrial hemp that is on the list of approved
+ ~~cultivars and therefore genetically identical to, and capable of~~
+ ~~exhibiting the same range of characteristics as, the parent cultivar.~~
+ *cultivars.*

+ (b) The list of approved cultivars shall include all of the
+ following:

+ (1) Industrial hemp cultivars that have been certified by member
+ organizations of the Association of Official Seed Certifying
+ Agencies, including, but not limited to, the Canadian Seed
+ Growers' Association.

+ (2) Industrial hemp cultivars that have been certified by the
+ Organization of Economic Cooperation and Development.

+ (3) California varieties of industrial hemp cultivars that have
+ been certified by a seed-certifying agency pursuant to Article 6.5
+ (commencing with Section 52401) of Chapter 2 of Division 18.

+ (c) (1) Upon recommendation by the board or the department,
+ the secretary may update the list of approved cultivars by adding,
+ amending, or removing cultivars.

+ (2) The adoption, amendment, or repeal of the list of approved
+ cultivars, and the adoption of a methodology and procedure to add,
+ amend, or remove a cultivar from the list of approved cultivars,
+ pursuant to this section shall not be subject to the requirements of
+ the Administrative Procedure Act (Chapter 3.5 (commencing with
+ Section 11340) of Part 1 of Division 3 of Title 2 of the Government
+ Code).

+ (3) The department, in consultation with the board, shall hold
+ at least one public hearing with public comment to determine the
+ methodology and procedure by which a cultivar is added, amended,
+ or removed from the list of approved cultivars.

+ (4) The department shall finalize the methodology and procedure
+ to add, amend, or remove a cultivar from the list of approved
+ cultivars and send the methodology and procedure to the Office
+ of Administrative Law. The Office of Administrative Law shall
+ file the methodology and procedure promptly with the Secretary
+ of State without further review pursuant to Article 6 (commencing
+ with Section 11349) of Chapter 3.5 of Part 1 of Division 3 of Title

- + 2 of the Government Code. The methodology and procedure shall
- + do all of the following:
- + (A) Indicate that the methodology and procedure are adopted
- + pursuant to this division.
- + (B) State that the methodology and procedure are being
- + transmitted for filing.
- + (C) Request that the Office of Administrative Law publish a
- + notice of the filing of the methodology and procedure and print an
- + appropriate reference in Title 3 of the California Code of
- + Regulations.
- + (d) The department, in consultation with the board, may
- + determine the manner in which the public is given notice of the
- + list of approved cultivars, and any addition, amendment, or removal
- + from that list.
- + *SEC. 4. Section 81003 of the Food and Agricultural Code is*
- + *amended to read:*
- + 81003. (a) (1) Except for an established agricultural research
- + institution subject to Section 81004.5 or a hemp breeder subject
- + to Section 81004, and before cultivation, a grower of industrial
- + hemp shall register with the commissioner of the county in which
- + the grower intends to engage in industrial hemp cultivation.
- + (2) The application shall include all of the following:
- + (A) The name, physical address, and mailing address of the
- + applicant.
- + (B) The legal description, Global Positioning System
- + coordinates, and map of the land area on which the applicant plans
- + to engage in industrial hemp cultivation, storage, or both.
- + (C) The approved cultivar to be grown, including the state or
- + ~~county~~ *country* of origin.
- + (3) The application shall be accompanied by a registration fee,
- + as determined pursuant to Section 81005.
- + (4) A registration issued pursuant to this section shall be valid
- + for one year, after which the registrant shall renew the registration
- + and pay an accompanying renewal fee, as determined pursuant to
- + Section 81005.
- + (b) If the commissioner determines that the requirements for
- + registration pursuant to this division are met and that the applicant
- + is eligible to participate in the industrial hemp program, in
- + accordance with Sections 81012 to 81014, inclusive, the
- + commissioner shall issue a registration to the applicant.

+ (c) A registrant that wishes to change or alter the land area on
 + which the registrant conducts industrial hemp cultivation or storage,
 + or both, shall, before any alteration or change, submit to the
 + commissioner an updated registration with the legal description,
 + Global Positioning System coordinates, and map specifying the
 + proposed land change or alteration. Once the commissioner has
 + received the change to the registration and the commissioner
 + determines that the requirements pursuant to this division are met,
 + the commissioner shall notify the registrant that it may cultivate
 + industrial hemp on the changed or altered land area.

+ (d) A registrant that wishes to change the cultivar grown shall
 + submit to the commissioner the name of the new, approved cultivar
 + to be grown. Once the commissioner has received the change to
 + the registration and the commissioner determines that the
 + requirements pursuant to this division are met, the commissioner
 + shall notify the registrant that it may cultivate the new cultivar.

+ (e) (1) The commissioner shall transmit information collected
 + under this section to the ~~department~~. *department no more than 10*
 + *business days after the date on which it is collected or the date of*
 + *a change in registration status occurred.*

+ (2) The ~~following information shall be transmitted by the~~
 + ~~commissioner to the department no more than 10 business days,~~
 + ~~and submitted by the department shall submit the information~~
 + ~~described in paragraph (a) of Section 990.70 of Title 7 of the Code~~
 + ~~of Federal Regulations to the United States Department of~~
 + ~~Agriculture no more than 30 business days, days after the date on~~
 + ~~which it is collected, or, in the case of subparagraph (C), collected~~
 + ~~or the date of a change in registration status: status occurred.~~

- + (A) ~~Contact information for each grower of industrial hemp.~~
- + (B) ~~A legal description of the land on which the grower engages~~
 + ~~in industrial hemp cultivation.~~
- + (C) ~~Registration status of the grower of industrial hemp.~~

+ (f) The department and the commissioner shall retain
 + information collected under this section for at least three years
 + after collecting or receiving it.

+ *SEC. 5. Section 81004 of the Food and Agricultural Code is*
 + *amended to read:*

+ 81004. (a) (1) Except when grown by an established
 + agricultural research institution subject to Section 81004.5, and
 + before cultivation, a hemp breeder shall register with the

- + commissioner of the county in which the hemp breeder intends to
- + engage in industrial hemp cultivation.
- + (2) The application shall include all of the following:
- + (A) The name, physical address, and mailing address of the
- + applicant.
- + (B) The legal description, Global Positioning System
- + coordinates, and map of the land area on which the applicant plans
- + to engage in industrial hemp cultivation, storage, or both.
- + (C) A variety development plan, which shall include all of the
- + following:
- + (i) If a new cultivar is to be certified by a seed-certifying agency,
- + the name of the seed-certifying agency that will be conducting the
- + certification.
- + (ii) The industrial hemp varieties that will be used and, if
- + applicable, how those varieties will be used in the development of
- + a new cultivar.
- + (iii) A plan for testing ~~all~~ *a representative sample* of the plants
- + grown.
- + (iv) The measures that will be taken to destroy *or dispose of*
- + any plants with THC concentrations that test above 0.3 percent.
- + (v) The measures that will be taken to prevent the unlawful use
- + of industrial hemp under this division.
- + (vi) A procedure for the maintenance of records documenting
- + the development of the new cultivar.
- + (3) The application shall be accompanied by a registration fee,
- + as determined pursuant to Section 81005.
- + (4) A registration issued pursuant to this section shall be valid
- + for one year, after which the registrant shall renew its registration
- + and pay an accompanying renewal fee, as determined pursuant to
- + Section 81005.
- + (b) If the commissioner determines that the requirements for
- + registration pursuant to this division are met and that the applicant
- + is eligible to participate in the industrial hemp program, in
- + accordance with Sections 81012 to 81014, inclusive, the
- + commissioner shall issue a hemp breeder registration to the
- + applicant.
- + (c) A registrant that wishes to change or alter the land area on
- + which the registrant conducts industrial hemp cultivation or storage,
- + or both, shall, before any alteration or change, submit to the
- + commissioner an updated registration with the legal description,

+ Global Positioning System coordinates, and map specifying the
+ proposed land change or alteration. Once the commissioner has
+ received the change to the registration and the commissioner
+ determines that the requirements pursuant to this division are met,
+ the commissioner shall notify the registrant that it may cultivate
+ industrial hemp on the changed or altered land area.

+ (d) A registrant that wishes to change the cultivar grown shall
+ submit to the commissioner the name of the new, approved cultivar
+ to be grown. Once the commissioner has received the change to
+ the registration and the commissioner determines that the
+ requirements pursuant to this division are met, the commissioner
+ shall notify the registrant that it may cultivate the new cultivar.

+ (e) A registrant developing a new cultivar who wishes to change
+ any provision of the variety development plan shall submit to the
+ commissioner the revised variety development plan. Once the
+ commissioner has received the change to the registration and the
+ commissioner determines that the requirements pursuant to this
+ division are met, the commissioner shall notify the registrant that
+ the registrant may cultivate under the revised variety development
+ plan.

+ (f) All records pertaining to the variety development plan shall
+ be kept and maintained by the hemp breeder and be available upon
+ request by the commissioner, a law enforcement agency, or a seed
+ certifying agency.

+ (g) (1) The commissioner shall transmit information collected
+ under this section to the ~~department~~. *department no more than 10*
+ *business days after the date on which it is collected or the date of*
+ *a change in registration status occurred.*

+ (2) ~~The following information shall be transmitted by the~~
+ ~~commissioner to the department no more than 10 business days,~~
+ ~~and submitted by the department shall submit the information~~
+ ~~described in paragraph (a) of Section 990.70 of Title 7 of the Code~~
+ ~~of Federal Regulations to the United States Department of~~
+ ~~Agriculture no more than 30 business days, days after the date on~~
+ ~~which it is collected, or, in the case of subparagraph (C), collected~~
+ ~~or the date of a change in registration status: status occurred.~~

- + (A) ~~Contact information for each hemp breeder.~~
- + (B) ~~A legal description of the land on which the hemp breeder~~
+ ~~engages in industrial hemp cultivation.~~
- + (C) ~~Registration status of the hemp breeder.~~

+ (h) The department and the commissioner shall retain
+ information collected under this section for at least three years
+ after collecting or receiving it.

+ SEC. 6. Section 81004.5 of the Food and Agricultural Code is
+ amended to read:

+ 81004.5. (a) (1) Before cultivating hemp for agricultural or
+ academic research, an established agricultural research institution
+ shall register with the commissioner of the county in which it
+ intends to cultivate.

+ (2) The registration application shall include all of the following:

+ (A) The name, physical address, and mailing address of the
+ applicant.

+ (B) The legal description, Global Positioning System
+ coordinates, and map of the geographic area where the applicant
+ plans to engage in hemp cultivation or storage, or both.

+ (C) A research plan that shall include all of the following:

+ (i) The hemp varieties that will be used and, if applicable, how
+ those varieties will be used for purposes of agricultural or academic
+ research.

+ (ii) A plan for testing ~~all~~ *a representative sample* of the plants
+ cultivated.

+ (iii) The measures that will be taken to destroy *or dispose of*
+ any plants with THC concentrations that test above 0.3 percent.

+ ~~(iv) The measures that will be taken to prevent the unlawful use
+ of hemp under this division.~~

+ ~~(v)~~

+ (iv) A procedure for the maintenance of records documenting
+ the agricultural or academic research.

+ (3) A registration issued pursuant to this section shall be valid
+ for one year, after which the registrant shall renew its registration
+ if it will continue cultivating hemp beyond that term.

+ (b) If the commissioner determines that the requirements for
+ registration pursuant to this division are met and that the applicant
+ is eligible to participate in the hemp program, in accordance with
+ Sections 81012 to 81014, inclusive, the commissioner shall issue
+ an established agricultural research institution registration to the
+ applicant.

+ (c) A registrant that wishes to change or alter the land area on
+ which the registrant conducts hemp cultivation or storage, or both,
+ shall, before any alteration or change, submit to the commissioner

+ an updated registration with the legal description, Global
+ Positioning System coordinates, and map specifying the proposed
+ land change or alteration. Once the commissioner has received the
+ change to the registration and the commissioner determines that
+ the requirements pursuant to this division are met, the
+ commissioner shall notify the registrant that it may cultivate hemp
+ on the changed or altered land area.

+ (d) A registrant conducting agricultural or academic research
+ who wishes to change any provision of the research plan shall
+ submit to the commissioner a revised research plan. Once the
+ commissioner has received the revised research plan, and the
+ commissioner determines that the requirements of this division
+ are met, the commissioner shall notify the registrant that it may
+ cultivate under the revised research plan.

+ (e) All records pertaining to the research plan shall be kept and
+ maintained by the established agricultural research institution and
+ be available upon request by the commissioner or a law
+ enforcement agency.

+ (f) (1) The commissioner shall transmit information collected
+ under this section to the ~~department~~. *department no more than 10*
+ *business days after the date on which it is collected or the date of*
+ *a change in registration status occurred.*

+ (2) ~~The following information shall be transmitted by the~~
+ ~~commissioner to the department no more than 10 business days,~~
+ ~~and submitted by the department shall submit the information~~
+ *described in paragraph (a) of Section 990.70 of Title 7 of the Code*
+ *of Federal Regulations to the United States Department of*
+ *Agriculture no more than 30 business days, days after the date on*
+ *which it is collected, or, in the case of subparagraph (C), collected*
+ *or the date of a change in registration status: status occurred.*

+ ~~(A) Contact information for each registered established~~
+ ~~agricultural research institution.~~

+ ~~(B) A legal description of the land on which the established~~
+ ~~agricultural research institution engages in hemp cultivation.~~

+ ~~(C) Registration status of the established agricultural research~~
+ ~~institution.~~

+ (g) The department and the commissioner shall retain
+ information collected under this section for at least three years
+ after collecting or receiving it.

+ (h) This section shall become operative as of the date on which
+ a state plan for California is approved pursuant to Section 297B
+ of the federal Agricultural Marketing Act of 1946 (added by
+ Section 10113 of the federal Agricultural Improvement Act of
+ 2018 (Public Law 115-334)).

+ SEC. 7. Section 81004.6 is added to the Food and Agricultural
+ Code, to read:

+ 81004.6. Each registered established agricultural research
+ institution, registered grower of industrial hemp, and registered
+ hemp breeder shall report on its hemp production in the state and
+ any changes to the location where it will produce hemp to the
+ Farm Service Agency of the United States Department of
+ Agriculture and shall provide, at minimum, all of the following
+ information:

+ (a) Street address and, to the extent practicable, geospatial
+ location of the lot, parcel, greenhouse, building, or site of all
+ locations in the state where hemp will be produced.

+ (b) The acreage dedicated to the production of hemp, or
+ greenhouse or indoor square footage dedicated to the production
+ of hemp, for each location in the state where hemp will be
+ produced.

+ (c) The license or registration number associated with each
+ location in the state where hemp will be produced.

+ SEC. 8. Section 81006 of the Food and Agricultural Code is
+ amended to read:

+ 81006. Industrial Hemp Growth Limitations; Prohibitions;
+ Imports; Laboratory Testing.

+ (a) Except when grown by a registered established agricultural
+ research institution or a registered hemp breeder, industrial hemp
+ shall be grown in acreages of not less than one-tenth of an acre at
+ the same time.

+ (b) Clandestine cultivation of industrial hemp is prohibited. All
+ plots shall have adequate signage indicating they are industrial
+ hemp.

+ (c) Industrial hemp shall not be cultivated on a premises licensed
+ by the department to cultivate or process cannabis. Industrial hemp,
+ regardless of its THC content, that is cultivated on a premises
+ licensed by the department for cannabis cultivation shall be
+ considered cannabis as defined in subdivision (f) of Section 26001
+ of the Business and Professions Code and subject to licensing and

+ regulatory requirements for cannabis pursuant to Division 10
+ (commencing with Section 26000) of the Business and Professions
+ Code.

+ (d) Industrial hemp shall include products imported under the
+ Harmonized Tariff Schedule of the United States (2013) of the
+ United States International Trade Commission, including, but not
+ limited to, hemp seed, per subheading 1207.99.03, hemp oil, per
+ subheading 1515.90.80, oilcake, per subheading 2306.90.01, true
+ hemp, per heading 5302, true hemp yarn, per subheading
+ 5308.20.00, and woven fabrics of true hemp fibers, per subheading
+ 5311.00.40.

+ (e) (1) Except when industrial hemp is grown by a registered
+ established agricultural research institution and tested in accordance
+ with an approved research plan or by a registered hemp breeder
+ and tested in accordance with an approved variety development
+ plan, a registrant that grows industrial hemp under this section
+ shall, before the harvest of each crop and as provided below, obtain
+ a laboratory test report indicating the THC levels of a random
+ sampling of the dried flowering tops of the industrial hemp grown.

+ (2) Sampling shall occur ~~no more than 30 days before harvest.~~
+ *within the timeframe established by the department.*

+ (3) The sample collected for THC testing shall be taken with
+ the grower or hemp breeder present. The department shall establish,
+ by regulation, the sampling procedures, including all of the
+ following:

+ (A) The number of plants to be sampled per field, and any
+ composting of samples.

+ (B) The portions of the plant to be sampled.

+ (C) The plant parts to be included in a sample.

+ (D) Additional procedures as necessary to ensure accuracy and
+ the sanitation of samples and fields.

+ (4) The sample collected for THC testing shall be accompanied
+ by the registrant’s proof of registration.

+ (5) The laboratory test report shall be issued by a laboratory
+ approved by the department, using a department-approved testing
+ method. The testing method shall use postdecarboxylation or
+ similarly reliable methods for determining THC concentration
+ levels. The laboratory test report shall indicate the percentage
+ concentration of THC on a dry-weight basis, indicate the date and
+ location of samples taken, and state the Global Positioning System

+ coordinates and total acreage of the crop. If the laboratory test
 + report indicates a percentage concentration of THC that is equal
 + to or less than 0.3 percent, the words “PASSED AS CALIFORNIA
 + INDUSTRIAL HEMP” shall appear at or near the top of the
 + laboratory test report. If the laboratory test report indicates a
 + percentage concentration of THC that is greater than 0.3 percent,
 + the words “FAILED AS CALIFORNIA INDUSTRIAL HEMP”
 + shall appear at or near the top of the laboratory test report. *The*
 + *laboratory test report shall also include an estimate of the*
 + *measurement of uncertainty associated with the test results. A*
 + *laboratory shall use appropriate, validated methods and*
 + *procedures for all testing activities and estimates of the*
 + *measurement of uncertainty.*

+ (6) If the laboratory test report indicates a percentage
 + concentration of THC that is equal to or less than 0.3 percent, the
 + laboratory shall provide the person who requested the testing not
 + less than 10 original copies signed by an employee authorized by
 + the laboratory and shall retain one or more original copies of the
 + laboratory test report for a minimum of two years from its date of
 + sampling.

+ (7) If the laboratory test report indicates a percentage
 + concentration of THC that is greater than 0.3 percent and does not
 + exceed 1 percent, the registrant that grows industrial hemp shall
 + submit additional samples for testing of the industrial hemp grown.

+ (8) A registrant that grows industrial hemp shall destroy *or*
 + *dispose of* the industrial hemp grown upon receipt of a first
 + laboratory test report indicating a percentage concentration of THC
 + that exceeds 1 percent or a second laboratory test report pursuant
 + to paragraph (7) indicating a percentage concentration of THC that
 + exceeds 0.3 percent but is less than 1 percent. If the percentage
 + concentration of THC exceeds 1 percent, the destruction *or disposal*
 + shall begin within 48 hours, and be completed within seven days,
 + after receipt of the laboratory test report. If the percentage
 + concentration of THC in the second laboratory test report exceeds
 + 0.3 percent but is less than 1 percent, the destruction *or disposal*
 + shall take place as soon as practicable, but no later than 45 days
 + after receipt of the second test report.

+ (9) A registrant that intends to grow industrial hemp and who
 + complies with this section shall not be prosecuted for the cultivation
 + or possession of marijuana as a result of a laboratory test report

+ that indicates a percentage concentration of THC that is greater
+ than 0.3 percent but does not exceed 1 percent.

+ (10) A registered established agricultural research institution
+ or a registered hemp breeder shall obtain laboratory results in
+ accordance with its approved research plan or variety development
+ plan. The secretary may authorize a registered established
+ agricultural research institution or hemp breeder to cultivate or
+ possess industrial hemp with a laboratory test report that indicates
+ a percentage concentration of THC that is greater than 0.3 percent
+ in accordance with its approved research plan or variety
+ development plan if that cultivation or possession contributes to
+ the development of types of industrial hemp that will comply with
+ the 0.3 percent THC limit established in this division.

+ (11) A registrant that grows industrial hemp shall retain an
+ original signed copy of the laboratory test report for two years
+ from its date of sampling, make an original signed copy of the
+ laboratory test report available to the department, the
+ commissioner, or law enforcement officials or their designees upon
+ request, and shall provide an original copy of the laboratory test
+ report to each person purchasing, transporting, or otherwise
+ obtaining from the registrant that grows industrial hemp the fiber,
+ oil, cake, or seed, or any component of the seed, of the plant.

+ SEC. 9. Section 81007 of the Food and Agricultural Code is
+ amended to read:

+ 81007. (a) As part of the registration program established
+ pursuant to this division, the department may establish and carry
+ out, by regulation, an agricultural pilot program pursuant to Section
+ 7606 of the federal Agricultural Act of 2014 (7 U.S.C. Sec. 5940)
+ in accordance with the purposes of that section.

+ (b) This section shall remain operative only until the date on
+ which a state plan for California is approved pursuant to Section
+ 297B of the federal Agricultural Marketing Act of 1946 (added by
+ Section 10113 of the federal Agricultural Improvement Act of 2018
+ (Public Law 115-334)), and as of January 1 of the following year
+ is repealed.

+ SEC. 10. Section 81008 of the Food and Agricultural Code is
+ amended to read:

+ 81008. Attorney General Reports; Requirements.

+ (a) Not later than January 1, 2019, the Attorney General shall
+ report to the Assembly and Senate Committees on Agriculture and

+ the Assembly and Senate Committees on Public Safety the reported
+ incidents, if any, of the following:

+ (1) A field of industrial hemp being used to disguise marijuana
+ cultivation.

+ (2) Claims in a court hearing by persons other than those
+ exempted in *paragraph (1) of subdivision (e) of Section 81006*
+ that marijuana is industrial hemp.

+ (b) A report submitted pursuant to subdivision (a) shall be
+ submitted in compliance with Section 9795 of the Government
+ Code.

+ (c) Pursuant to Section 10231.5 of the Government Code, this
+ section is repealed on January 1, 2023, or four years after the date
+ that the report is due, whichever is later.

+ *SEC. 11. Section 81011 of the Food and Agricultural Code is*
+ *amended to read:*

+ 81011. (a) Before cultivating industrial hemp, an established
+ agricultural research institution shall provide the Global Positioning
+ System coordinates of the planned cultivation site to the
+ commissioner of the county in which the site is located.

+ (b) *This section shall remain operative only until the date on*
+ *which a state plan for California is approved pursuant to Section*
+ *297B of the federal Agricultural Marketing Act of 1946 (added by*
+ *Section 10113 of the federal Agricultural Improvement Act of 2018*
+ *(Public Law 115-334)), and as of January 1 of the following year*
+ *is repealed.*

+ *SEC. 12. Section 81013.5 is added to the Food and Agricultural*
+ *Code, to read:*

+ 81013.5. *In furtherance of their responsibilities to locally*
+ *enforce the state industrial hemp program, a commissioner may*
+ *request and receive state and federal criminal history information*
+ *from a local law enforcement agency to the extent necessary to*
+ *determine whether a prospective participant is eligible to*
+ *participate in the program pursuant to Section 81013. If the local*
+ *law enforcement agency agrees to provide the requested*
+ *information to the commissioner, the agency shall obtain the*
+ *requested information from the California Law Enforcement*
+ *Telecommunications System (CLETs) and shall send the*
+ *information to the requesting commissioner within 72 hours of the*
+ *commissioner’s written request. A local law enforcement agency*
+ *may charge a fee to the prospective participant not to exceed the*

+ *actual expense to the law enforcement agency of obtaining the information from CLETS and providing it to the commissioner.*

+ *SEC. 13. Section 11018.5 of the Health and Safety Code is amended to read:*

+ *11018.5. (a) "Industrial hemp" means a crop that is limited to types of the plant Cannabis sativa L. having no more than three-tenths of 1 percent tetrahydrocannabinol (THC) contained in the dried flowering tops, whether growing or not; the seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin produced therefrom.*

+ *(b) Industrial hemp shall not be subject to the provisions of this division or of Division 10 (commencing with Section 26000) of the Business and Professions Code, but instead shall be regulated by the Department of Food and Agriculture in accordance with the provisions of Division 24 (commencing with Section 81000) of the Food and Agricultural Code, inclusive.*

+ *(c) This section shall become inoperative on May 1, 2021, and, as of January 1, 2022, is repealed.*

+ *SEC. 14. Section 11018.5 is added to the Health and Safety Code, to read:*

+ *11018.5. (a) "Industrial hemp" or "hemp" means an agricultural product, whether growing or not, that is limited to types of the plant Cannabis sativa L. and any part of that plant, including the seeds of the plant and all derivatives, extracts, the resin extracted from any part of the plant, cannabinoids, isomers, acids, salts, and salts of isomers, with a delta-9 tetrahydrocannabinol concentration of no more than 0.3 percent on a dry weight basis.*

+ *(b) Industrial hemp shall not be subject to the provisions of this division or of Division 10 (commencing with Section 26000) of the Business and Professions Code, but instead shall be regulated by the Department of Food and Agriculture in accordance with the provisions of Division 24 (commencing with Section 81000) of the Food and Agricultural Code, inclusive.*

+ *(c) This section shall become operative May 1, 2021.*

+ *SEC. 15. Section 100425 of the Health and Safety Code is amended to read:*

+ *100425. (a) The fees or charges for the issuance or renewal of any permit, license, registration, or document pursuant to*

+ Sections 1639.5, 1676, 1677, 2805, 11839.25, 103625, 106700,
 + 106890, 106925, 107080, 107090, 107095, 107160, 110210,
 + 110470, 111130, 111140, 111630, 112405, 112510, 112750,
 + 112755, 113060, 113065, 114065, 115035, 115065, 115080,
 + 117923, 117995, 118045, 118210, and 118245 shall be adjusted
 + annually by the percentage change printed in the Budget Act for
 + those items appropriating funds to the ~~state~~ department. After the
 + first annual adjustment of fees or charges pursuant to this section,
 + the fees or charges subject to subsequent adjustment shall be the
 + fees or charges for the prior calendar year. The percentage change
 + shall be determined by the Department of Finance, and shall
 + include at least the total percentage change in salaries and operating
 + expenses of the ~~state~~ department. However, the total increase in
 + amounts collected under this section shall not exceed the total
 + increased cost of the program or service provided.

+ (b) The ~~state~~ department shall publish annually a list of the
 + actual numerical fee charges for each permit, license, certification,
 + or registration governed by this section.

+ (c) This adjustment of fees and publication of the fee list shall
 + not be subject to the requirements of Chapter 3.5 (commencing
 + with Section 11340) of Part 1 of Division 3 of Title 2 of the
 + Government Code.

+ (d) With respect to the fees or charges pursuant to Section
 + 103625, the actual dollar fee or charge shall be rounded to the
 + nearest whole dollar.

+ ~~(e) This section shall become operative on January 1, 2014.~~

+ (e) *This section shall become inoperative on May 1, 2021, and,
 + as of January 1, 2022, is repealed.*

+ SEC. 16. *Section 100425 is added to the Health and Safety
 + Code, to read:*

+ 100425. (a) *The fees or charges for the issuance or renewal
 + of any permit, license, registration, or document pursuant to
 + Sections 1639.5, 1676, 1677, 2805, 11839.25, 103625, 106700,
 + 106890, 106925, 107080, 107090, 107095, 107160, 110210,
 + 110470, 110471, 111130, 111140, 111630, 111923.5, 111923.6,
 + 112405, 112510, 112750, 112755, 113060, 113065, 114065,
 + 115035, 115065, 115080, 117923, 117995, 118045, 118210, and
 + 118245 shall be adjusted annually by the percentage change
 + printed in the Budget Act for those items appropriating funds to
 + the department. After the first annual adjustment of fees or charges*

+ pursuant to this section, the fees or charges subject to subsequent
+ adjustment shall be the fees or charges for the prior calendar year.
+ The percentage change shall be determined by the Department of
+ Finance, and shall include at least the total percentage change in
+ salaries and operating expenses of the department. However, the
+ total increase in amounts collected under this section shall not
+ exceed the total increased cost of the program or service provided.
+ (b) The department shall publish annually a list of the actual
+ numerical fee charges for each permit, license, certification, or
+ registration governed by this section.
+ (c) This adjustment of fees and publication of the fee list shall
+ not be subject to the requirements of Chapter 3.5 (commencing
+ with Section 11340) of Part 1 of Division 3 of Title 2 of the
+ Government Code.
+ (d) With respect to the fees or charges pursuant to Section
+ 103625, the actual dollar fee or charge shall be rounded to the
+ nearest whole dollar.
+ (e) This section shall become operative on May 1, 2021.
+ SEC. 17. Section 110036 is added to the Health and Safety
+ Code, to read:
+ 110036. (a) All laws and regulations pertaining to industrial
+ hemp products shall remain in effect until the adoption of
+ regulations pursuant to the federal law that authorizes industrial
+ hemp products. At that time, the department shall adopt new
+ regulations as necessary pursuant to the federal law.
+ (b) This section shall become operative on May 1, 2021.
+ SEC. 18. Section 110065 of the Health and Safety Code is
+ amended to read:
+ 110065. (a) The department may adopt any regulations that
+ it determines are necessary for the enforcement of this part. The
+ regulations shall be adopted by the department in the manner
+ prescribed by Chapter 3.5 (commencing with Section 11340) of
+ Part 1 of Division 3 of Title 2 of the Government Code. The
+ department shall, insofar as practicable, make these regulations
+ conform with those adopted under the federal act or by the United
+ States Department of Agriculture or by the Internal Revenue
+ Service of the United States Treasury Department.
+ (b) This section shall become inoperative on May 1, 2021, and,
+ as of January 1, 2022, is repealed.

+ SEC. 19. Section 110065 is added to the Health and Safety Code, to read:

+ 110065. (a) The department may adopt any regulations that it determines are necessary for the enforcement of this part. The regulations shall be adopted by the department in the manner prescribed by Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The department shall, insofar as practicable, make these regulations conform with those adopted under the federal act or by the United States Department of Agriculture or by the Internal Revenue Service of the United States Treasury Department.

+ (b) (1) The department may adopt emergency regulations to implement this division.

+ (2) The department may readopt any emergency regulation authorized by this section that is the same as, or substantially equivalent to, an emergency regulation previously adopted as authorized by this section. That readoption shall be limited to one time for each regulation.

+ (3) Notwithstanding any other law, the initial adoption of emergency regulations and the readoption of emergency regulations authorized by this section shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. The initial emergency regulations and the readopted emergency regulations authorized by this section shall be each submitted to the Office of Administrative Law for filing with the Secretary of State and shall remain in effect for no more than 180 days, by which time final regulations shall be adopted.

+ (c) Initial regulations regarding industrial hemp shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), except that the department shall post the proposed regulations on its internet website for public comment for 30 days. The comments received shall be considered by the department and the final adopted regulations shall be filed with the Office of Administrative Law for publication in the California Code of Regulations. This exemption does not apply to regulations adopted pursuant to Section 111921.3 or 111922.

+ (d) This section shall become operative on May 1, 2021.

+ SEC. 20. Section 110407 is added to the Health and Safety Code, to read:

+ 110407. (a) A manufacturer, distributor, or seller of an industrial hemp product shall not include on the label of the product, or publish or disseminate in advertising or marketing, any health-related statement that is untrue in any particular manner or that tends to create a misleading impression as to the health effects of consuming products containing industrial hemp or cannabinoids, extracts, or derivatives from industrial hemp in violation of this part.

+ (b) For purposes of this section, “health-related statement” means a statement related to health, and includes a statement of a curative or therapeutic nature that, expressly or impliedly, suggests a relationship between the consumption of industrial hemp or industrial hemp products and health benefits or effects on health. However, “health related statement” does not include statements required to be made pursuant to federal Food and Drug Administration regulations for active ingredients in prescription drugs, nonprescription over the counter drugs containing inactive ingredients, or properly substantiated structure-function claims allowed for dietary supplements.

+ (c) This section shall become operative on May 1, 2021.

+ SEC. 21. Section 110469 is added to the Health and Safety Code, to read:

+ 110469. (a) A wholesale food manufacturing facility that manufactures products that contain industrial hemp shall be registered in accordance with Section 110460 and shall comply with good manufacturing practices as defined in Section 110105 and as determined by the department in regulation.

+ (b) Industrial hemp shall not be used in dietary supplements or food products unless the manufacturer demonstrates both of the following:

+ (1) All parts of the hemp plant used in dietary supplements or food products come from a state or country that has an established and approved industrial hemp program that inspects or regulates hemp under a food safety program or equivalent criteria to ensure safety for human or animal consumption.

+ (2) The industrial hemp cultivator or grower is in good standing and in compliance with the governing laws of the state or country of origin.

+ (c) This section shall become operative on May 1, 2021.
+ SEC. 22. Section 110611 is added to the Health and Safety
+ Code, to read:

+ 110611. (a) Except as provided in Section 25621.5 of the
+ Business and Professions Code, a dietary supplement, food, or
+ beverage is not adulterated by the inclusion of industrial hemp,
+ as defined in Section 11018.5, as long as the cannabinoids,
+ extracts, or derivatives from industrial hemp meet the requirements
+ established in Chapter 9 (commencing with Section 111920). The
+ sale of a dietary supplement, food, or beverage that includes
+ industrial hemp or cannabinoids, extracts, or derivatives from
+ industrial hemp shall not be restricted or prohibited based solely
+ on the inclusion of industrial hemp provided that the cannabinoids,
+ extracts, or derivatives from industrial hemp meet the requirements
+ of Chapter 9 (commencing with Section 111920).

+ (b) This section shall become operative on May 1, 2021.
+ SEC. 23. Section 111691 is added to the Health and Safety
+ Code, to read:

+ 111691. (a) A cosmetic is not adulterated because it includes
+ industrial hemp, as defined in Section 11018.5, as long as the
+ cannabinoids, extracts, or derivatives from industrial hemp meet
+ the requirements established in Chapter 9 (commencing with
+ Section 111920). The sale of a cosmetic that includes industrial
+ hemp or cannabinoids, extracts, or derivatives from industrial
+ hemp shall not be restricted or prohibited based solely on the
+ inclusion of industrial hemp provided that the cannabinoids,
+ extracts, or derivatives from industrial hemp meet the requirements
+ established in Chapter 9 (commencing with Section 111920).

+ (b) This section shall become operative on May 1, 2021.
+ SEC. 24. Chapter 9 (commencing with Section 111920) is
+ added to Part 5 of Division 104 of the Health and Safety Code, to
+ read:

CHAPTER 9. INDUSTRIAL HEMP

Article 1. Definitions

+ 111920. For purposes of this chapter, the following definitions
+ apply:

- + (a) *“Established and approved industrial hemp program” means a program that meets any applicable requirements set forth in federal law regarding the lawful and safe cultivation of industrial hemp.*
- + (b) *“Final form product” is a product intended for consumer use to be sold at a retail premise.*
- + (c) *“Hemp manufacturer” means either of the following:*
 - + (1) *A processor extracting cannabinoids from hemp biomass.*
 - + (2) *A processor purchasing industrial hemp raw extract for the purpose of manufacturing a final form product.*
- + (d) *“Independent testing laboratory” means a laboratory that meets all of the following requirements:*
 - + (1) *Does not have a direct or indirect interest in the entity for which testing is being done.*
 - + (2) *Does not have a direct or indirect interest in a facility that cultivates, processes, distributes, dispenses, or sells raw hemp products in this state or in another jurisdiction.*
 - + (3) *Does not have a license issued pursuant to Division 10 (commencing with Section 26000) of the Business and Professions Code, other than as a licensed testing laboratory.*
 - + (4) *Is either of the following:*
 - + (A) *A testing laboratory licensed pursuant to Division 10 (commencing with Section 26000) of the Business and Professions Code, if the licensed testing lab has notified the Bureau of Cannabis Control.*
 - + (B) *Accredited by a third-party accrediting body as a competent testing laboratory pursuant to ISO/IEC 17025 of the International Organization for Standardization.*
- + (e) *“Industrial hemp” has the same meaning as in Section 11018.5. “Industrial hemp” does not include cannabinoids produced through chemical synthesis.*
- + (f) (1) *“Industrial hemp product” means a finished product containing industrial hemp that meets all of the following conditions:*
 - + (A) *Is a cosmetic, food, food additive, dietary supplement, or herb.*
 - + (B) (i) *Is for human or animal consumption.*
 - + (ii) *“Animal” does not include livestock or a food animal as defined in Section 4825.1 of the Business and Professions Code.*

- + (2) “Industrial hemp product” does not include industrial hemp
- + or a hemp product that has been approved by the United States
- + Food and Drug Administration or a hemp product that includes
- + industrial hemp or hemp that has received Generally Recognized
- + As Safe (GRAS) designation. For purposes of nonfood applications,
- + “industrial hemp product” does not include a hemp product that
- + contains derivatives, substances, or compounds derived from the
- + seed of industrial hemp.
- + (g) (1) “Manufacture” or “manufacturing” means to
- + compound, blend, extract, infuse, or otherwise make or prepare
- + an industrial hemp product.
- + (2) “Manufacturing” includes all aspects of the extraction
- + process, infusion process, and packaging and labeling processes,
- + including processing, preparing, holding, and storing of industrial
- + hemp products.
- + (3) “Manufacturing” also includes processing, preparing,
- + holding, or storing hemp components and ingredients.
- + (4) “Manufacturing” does not include planting, growing,
- + harvesting, drying, curing, grading, or trimming a plant or part
- + of a plant.
- + (h) “Raw extract” or “industrial hemp raw extract” means
- + extract not intended for consumer use and that contains a THC
- + concentration of not more than an amount determined by the
- + department in regulation.
- + (i) “Raw hemp product” means a product that is derived from
- + industrial hemp that is intended to be included in a food, beverage,
- + dietary supplement, or cosmetic.
- + (j) “Retail” has the same meaning as in Section 113895.
- + (k) “THC” and “delta-9 THC” means tetrahydrocannabinol,
- + Chemical Abstracts Service (CAS) number 1972-08-3.
- + (l) “THCA” means tetrahydrocannabinolic acid, CAS number
- + 23978-85-0.
- + (m) “Total THC” means the sum of THC and THCA. Total THC
- + shall be calculated using the following equation: total THC
- + concentration (mg/g) = (THCA concentration (mg/g) x 0.877) +
- + THC concentration (mg/g).

Article 2. General Provisions

+
+
+ *111921. An industrial hemp product shall not be distributed*
+ *or sold in the state except in conformity with all applicable state*
+ *laws and regulations, including this chapter and any regulations*
+ *promulgated thereunder, and with documentation that includes*
+ *both of the following:*
+ *(a) A certificate of analysis from an independent testing*
+ *laboratory that confirms both of the following:*
+ *(1) The industrial hemp raw extract, in its final form, does not*
+ *exceed THC concentration of an amount determined allowable by*
+ *the department in regulation, or the final form product does not*
+ *exceed THC concentration of 0.3 percent.*
+ *(2) The industrial hemp product was tested for any hemp*
+ *derivatives identified on the product label or in associated*
+ *advertising.*
+ *(b) The industrial hemp product was produced from industrial*
+ *hemp grown in compliance with Division 24 (commencing with*
+ *Section 81000) of the Food and Agricultural Code if sourced from*
+ *within California, or licensed in accordance with United States*
+ *Department of Agriculture (USDA) requirements if sourced from*
+ *outside the state.*
+ *111921.3. The department may adopt regulations imposing an*
+ *age requirement for the sale of certain industrial hemp products*
+ *upon a finding of a threat to public health based on scientific*
+ *research.*
+ *111921.5. (a) Unless explicitly approved by the federal Food*
+ *and Drug Administration, industrial hemp shall not be included*
+ *in products in any of the following categories:*
+ *(1) Medical devices.*
+ *(2) Prescription drugs.*
+ *(3) Processed smokable products, including, but not limited to,*
+ *electronic cigarettes with nicotine.*
+ *(4) Smokable flower, including, but not limited to, hookah and*
+ *shisha with nicotine.*
+ *(5) A product containing nicotine, tobacco, or alcohol.*
+ *(b) The department may prohibit the inclusion of industrial*
+ *hemp in other products when it poses a risk to human or animal*
+ *health through regulation.*

+ (c) Cannabis and cannabis products are not subject to this
+ section.

+ 111921.7. This chapter shall become operative on May 1, 2021.

+

+

Article 3. Manufacture

+

+ 111922. (a) The department, through regulation, may
+ determine maximum serving sizes for hemp-derived cannabinoids,
+ hemp extract, and products derived therefrom, active cannabinoid
+ concentration per serving size, the number of servings per
+ container, and any other requirements for foods and beverages.

+ (b) Food and beverages shall be prepackaged and shelf stable.

+ 111922.3. (a) A hemp manufacturer who produces raw extract
+ that will only be used for dietary supplements, foods, beverages,
+ and cosmetics, or a hemp manufacturer who produces industrial
+ hemp products shall comply with this chapter and, to the extent
+ applicable, this part.

+ (b) A hemp manufacturer who produces processed pet food
+ products shall comply with this chapter and Chapter 10
+ (commencing with Section 113025) of Part 6 and shall follow good
+ manufacturing practices pursuant to those provisions.

+

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Article 4. Licensing and Fees

+

+ 111923. (a) The Industrial Hemp Enrollment and Oversight
+ Fund is hereby established in the State Treasury. All money
+ received by the department pursuant to Section 111923.5 shall be
+ deposited into this fund and shall be expended by the department,
+ upon appropriation by the Legislature, to carry out and implement
+ this chapter. Moneys in this fund shall not be redirected for any
+ other purpose.

+ (b) The Industrial Hemp Research Fund is hereby established
+ in the State Treasury. All money received by the department
+ pursuant to Section 111923.6 shall be deposited into this fund and
+ expended by the Regents of the University of California, upon
+ appropriation by the Legislature, to carry out and implement
+ Section 111936. Moneys in this fund shall not be redirected for
+ any other purpose.

+ 111923.3. (a) (1) A hemp manufacturer who produces an
+ industrial hemp product that is a food or beverage shall register

- + *with the department pursuant to Article 2 (commencing with Section 110460) of Chapter 5.*
- + *(2) Sections 110473 and 110474 shall not apply to dietary supplements and food products that include industrial hemp.*
- + *(b) Notwithstanding the voluntary nature of registration provided in Section 111795, a hemp manufacturer who produces an industrial hemp product that is a cosmetic shall register pursuant to Article 4 (commencing with Section 111795) of Chapter 7.*
- + *(c) A hemp manufacturer who produces an industrial hemp product that is a processed pet food shall obtain a license pursuant to Article 2 (commencing with Section 113060) of Chapter 10 of Part 6.*
- + *(d) (1) An in-state hemp manufacturer who produces raw hemp extract and who does not produce an industrial hemp product, or an out-of-state hemp manufacturer who produces raw hemp extract with the intent to import that raw hemp extract into this state, shall register with the department pursuant to Article 2 (commencing with Section 110460) of Chapter 5.*
- + *(2) Sections 110473 and 110474 shall not apply to hemp manufacturers who register pursuant to this subdivision.*
- + *(e) All hemp manufacturers shall notify the department immediately of any change of information in their application for a license of registration.*
- + *111923.5. (a) In addition to licensing and registration requirements and fees required pursuant to other applicable laws, as specified in Section 111923.3, a hemp manufacturer shall obtain an industrial hemp enrollment and oversight authorization from the department. Authorization shall be renewed annually.*
- + *(b) The department shall assess an authorization fee and renewal fee to cover the actual reasonable costs of implementing the regulatory program in this chapter, not to exceed one thousand dollars (\$1,000) per company. Fees may be set at different amounts for different hemp manufacturer types, including food products, cosmetic products, and pet food products, based on the differing costs associated with regulatory requirements, including, but not limited to, the nature and scope of the authorization activities and oversight, inspection, and enforcement activities.*
- + *(c) The fee shall be adjusted pursuant to Section 100425.*

- + (d) Fees may be prorated based upon the date of the renewal or issuance of the authorization.
- + 111923.6. (a) In addition to the fee required pursuant to 111923.5, a hemp manufacturer shall pay an annual fee of two hundred fifty dollars (\$250) to support research on the health effects of hemp-derived cannabinoids.
- + (b) This fee shall not be prorated and the date of renewal shall align with the renewal of the authorization pursuant to Section 111923.5.
- + (c) The fee imposed by this section shall be adjusted pursuant to Section 100425.
- + 111923.7. A hemp manufacturer located outside the state shall reimburse the department for travel and per diem required to perform necessary onsite inspections at the facility to ensure compliance with this chapter and related activities pursuant to this part.
- + 111923.9. A hemp manufacturer or retailer who is operating in conformance with this part and in good faith compliance with their responsibilities under this chapter may manufacture or sell industrial hemp products or raw hemp extract on and after May 1, 2021. The department shall exercise enforcement discretion on the manufacture or sale of industrial hemp products until May 1, 2021.

Article 5. Recordkeeping

- + 111924. The department may adopt regulations for recordkeeping standards that shall apply to transporters, manufacturers, and retailers of industrial hemp product and raw extract.

Article 6. Testing Requirements

- + 111925. (a) A hemp manufacturer shall meet all of the following testing requirements:
 - + (1) Industrial hemp shall be tested in raw extract final form, to allow its use as an ingredient, prior to being incorporated into a product.
 - + (2) Testing shall be completed by an independent testing laboratory.

+ (3) *The manufacturer of the hemp extract in its final form or the final form product shall be able to prove total THC concentration is below 0.3 percent. A manufacturer of raw extract shall be able to prove that the THC concentration meets department requirements set forth pursuant to subdivision (a) of Section 111921.*

+ (b) *The department may regulate and restrict the cap on extract and may cap the amount of total THC concentration at the product level based on the product form, volume, number of servings, ratio of cannabinoids to THC in the product, or other factors, as needed.*

+ 111925.2. *A raw hemp product shall not be distributed or sold in this state without a certificate of analysis from an independent testing laboratory that confirms all of the following:*

+ (a) *The raw hemp product is the product of a batch of industrial hemp that was tested by the independent testing laboratory.*

+ (b) *A tested random sample of the batch of industrial hemp contained a total THC concentration that did not exceed 0.3 percent on a dry-weight basis.*

+ (c) *The tested sample of the batch did not contain contaminants that are unsafe for human or animal consumption.*

+ 111925.4. (a) *As of the effective date of the act adding this chapter, testing requirements for contaminant levels shall be the same as those for cannabis, as established in paragraph (2) of subdivision (d) of Section 26100 of the Business and Professions Code and regulations adopted pursuant thereto.*

+ (b) *The department may adjust the specific contaminant levels for industrial hemp by regulation.*

+ 111925.6. (a) *A product batch may be reprocessed or remediated after failed testing, but the batch shall not be distributed or sold unless the reprocessed or remediated batch has been retested and successfully passed all the analyses required pursuant to this article.*

+ (b) *If the batch cannot be reprocessed or remediated, the product batch shall be destroyed.*

+ (c) *If a failed product batch is not reprocessed or remediated in any way, it shall not be retested. Subsequent certificates of analysis produced without reprocessing or remediation of the failed product batch shall not supersede the initial regulatory compliance testing certificate of analysis.*

+ (d) This section shall not prevent a product batch from being
+ retested when the certificate of analysis was obtained 12 months
+ prior or more.

+ (e) (1) Reprocessing or remediation shall be an available
+ remedy for failed product batches in all industrial hemp product
+ categories and raw extract.

+ (2) Remediation is not allowed once a product enters the retail
+ market.

+ (f) A failed product batch that cannot be reprocessed or
+ remediated shall be destroyed, at the expense of the owner, on
+ video surveillance, as authorized by the department, or under the
+ supervision of an authorized agent of the department.

Article 7. Labeling and Advertisement

+ 111926. (a) A manufacturer, distributor, or seller of an
+ industrial hemp product shall follow packaging, labeling, and
+ advertising laws, including, but not limited to, Chapter 4
+ (commencing with Section 110290), and federal laws incorporated
+ or applicable in this state, including, but not limited to, Sections
+ 110100, 110340, 110371, 110380, 110382, and 110407 and shall
+ not violate this part.

+ (b) A hemp manufacturer shall not directly target advertising
+ or marketing to children or to persons who are pregnant or
+ breastfeeding.

+ (c) Advertising or marketing placed in broadcast, cable, radio,
+ print, or digital communications shall only be displayed where at
+ least 70 percent of the audience is reasonably expected to be 18
+ years of age or older, as determined by reliable, up-to-date
+ audience composition data.

+ 111926.2. (a) An industrial hemp product that is a dietary
+ supplement, food, or beverage shall not be distributed or sold in
+ the state without packaging and labeling on the product that
+ includes all of the following information:

+ (1) A label, scannable barcode, internet website, or quick
+ response (QR) code linked to the certificate of analysis of the final
+ form product batch by an independent testing laboratory that
+ provides all of the following information:

+ (A) The product name.

- + (B) *The name of the product’s manufacturer, packer, or distributor, and their address and telephone number.*
- + (C) *The batch number, which matches the batch number on the product.*
- + (D) *The concentration of cannabinoids present in the product batch, including, at minimum, total THC and any marketed cannabinoids or ingredient, as required by the department in regulation.*
- + (E) *The levels within the product batch of contaminants, as required in subdivision (c) of Section 111925.2.*
- + (2) *The product expiration or best by date, if applicable.*
- + (3) *A statement indicating that children or those who are pregnant or breastfeeding should consult with a health care professional before using the product.*
- + (4) *A statement that products containing cannabinoids should be kept out of reach of children.*
- + (5) *The following statement, “THE FDA HAS NOT EVALUATED THIS PRODUCT FOR SAFETY OR EFFICACY.”*
- + (b) *The requirements of this section shall apply to products manufactured 90 days or more after the enactment of this section.*
- + 111926.3. (a) *An industrial hemp product that is a cosmetic shall not be distributed or sold in the state without packaging and labeling on the product that includes all of the following information:*
 - + (1) *A label, scannable barcode, internet website, or quick response (QR) code linked to the certificate of analysis of the final form extract or the final form product batch by an independent testing laboratory that provides all of the following information:*
 - + (A) *The product name.*
 - + (B) *The name of the product’s manufacturer, packer, or distributor, and their address and telephone number.*
 - + (C) *The batch number, which matches the batch number on the product.*
 - + (D) *The concentration of cannabinoids present in the product batch, including, at minimum, total THC and any marketed cannabinoids.*
 - + (E) *The levels within the product batch of contaminants, as required in subdivision (c) of Section 111925.2.*
 - + (2) *The product expiration or best by date, if applicable.*

+ (3) *The following statement, “THE FDA HAS NOT*
 + *EVALUATED THIS PRODUCT FOR SAFETY OR EFFICACY.”*
 + (b) *The requirements of this section shall apply to products*
 + *manufactured 90 days or more after the enactment of this section.*

Article 8. Enforcement

+ 111927. (a) *The department shall have the seizure and*
 + *embargo powers provided for in Article 3 (commencing with*
 + *Section 111860) of Chapter 7 with respect to industrial hemp*
 + *products and raw extract.*

+ (b) *The department shall have the ability to recall industrial*
 + *hemp products or raw extract that it determines to be dangerous*
 + *to the public in the manner prescribed in Section 110806.*

+ 111927.2. (a) *In addition to the inspection authority provided*
 + *elsewhere in this part, the department may inspect financial data,*
 + *sales data, and personnel data, as needed to enforce this chapter.*

+ (b) *State, local, or law enforcement officials may review*
 + *paperwork from those handling or transporting industrial hemp*
 + *plant material, raw extract, intermediary industrial hemp product,*
 + *or final finished product and take samples at any point along the*
 + *supply chain to test that sample for verification.*

+ (c) *Upon inspection, if the industrial hemp plant material, raw*
 + *extract, intermediary industrial hemp product, or final finished*
 + *product does not meet the definition of industrial hemp, the state,*
 + *local, or law enforcement official shall notify the department.*

+ (d) (1) *State, local, and law enforcement officials shall*
 + *immediately notify the department of an arrest made for a violation*
 + *over which the department has jurisdiction that involves a person*
 + *authorized pursuant to this chapter.*

+ (2) *The department shall promptly investigate whether grounds*
 + *exist for suspension or revocation of the authorization or if other*
 + *actions are warranted under this part.*

+ 111927.4. *Violations of this chapter are subject to the fines*
 + *and penalties established in Article 1 (commencing with Section*
 + *111825) of Chapter 8.*

Article 9. Agency Coordination

+
+
+ 111928. (a) The Department of Food and Agriculture and the
+ State Department of Public Health, in consultation with the Bureau
+ of Cannabis Control, if necessary, shall develop a process to share
+ license, registration, cultivar, and enforcement information to
+ facilitate compliance and enforcement against unlicensed
+ manufacturers and retailers of industrial hemp product and raw
+ extract.

+ (b) Communications shared between state agencies and local
+ and law enforcement officials regarding license, registration,
+ cultivar, and enforcement information of manufacturers and
+ retailers of industrial hemp products and raw extract shall not be
+ subject the California Public Records Act (Chapter 3.5
+ (commencing with Section 6250) of Division 7 of Title 1 of the
+ Government Code) and shall be considered “official information”
+ pursuant to Section 1040 of the Evidence Code.

+ 111928.5. (a) On or before July 1, 2021, the cannabis licensing
+ authorities, as defined in Section 26001 of the Business and
+ Professions Code, shall prepare a report to the Governor outlining
+ the steps necessary to allow for the incorporation of hemp
+ cannabinoids, extracts, and derivatives into the cannabis supply
+ chain. The report shall include, but not be limited to, the
+ incorporation of hemp cannabinoids, extracts, and derivatives into
+ manufactured cannabis products and the sale of hemp products
+ at cannabis retailers.

+ (b) (1) The report to be submitted pursuant to this subdivision
+ shall be submitted in compliance with Section 9795 of the
+ Government Code.

+ (2) Pursuant to Section 10231.5 of the Government Code, this
+ section is repealed on January 1, 2025.

Article 10. Industrial Hemp Research Program

+
+ 111929. (a) It is the intent of the Legislature that objective
+ scientific research regarding the safety of industrial hemp be
+ conducted.

+ (b) If the Regents of the University of California, by appropriate
+ resolution, accepts this responsibility, the University of California

+ shall create a program, to be known as the California Industrial Hemp Research Program.

+ (c) The program shall develop and conduct studies intended to ascertain the general safety of industrial hemp. The program may solicit proposals for research projects to be included in the industrial hemp studies.

+ (d) Proposals shall demonstrate the use of key personnel, including clinicians or scientists and support personnel, who are prepared to develop a program of research regarding industrial hemp safety.

+ SEC. 25. Section 113091 is added to the Health and Safety Code, to read:

+ 113091. (a) A processed pet food is not adulterated because it includes industrial hemp, as defined in Section 11018.5, or cannabinoids, extracts, or derivatives from industrial hemp, if the cannabinoids, extracts, or derivatives from industrial hemp meet the requirements established in Chapter 9 (commencing with Section 111920) of Part 5. The sale of processed pet food that includes industrial hemp or cannabinoids, extracts, or derivatives from industrial hemp shall not be restricted or prohibited based solely on the inclusion of industrial hemp or cannabinoids, extracts, or derivatives from industrial hemp, if the cannabinoids, extracts, or derivatives from industrial hemp meet the requirements established in Chapter 9 (commencing with Section 111920) of Part 5.

+ (b) This section shall become operative on May 1, 2021.

+ SEC. 26. The Legislature finds and declares that Section 24 of this act, which adds Section 111928 to the Health and Safety Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

+ The Legislature finds that the information to be shared is proprietary business information.

+ SEC. 27. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school

+ district will be incurred because this act creates a new crime or
+ infraction, eliminates a crime or infraction, or changes the penalty
+ for a crime or infraction, within the meaning of Section 17556 of
+ the Government Code, or changes the definition of a crime within
+ the meaning of Section 6 of Article XIII B of the California
+ Constitution.

+ SEC. 28. This act is an urgency statute necessary for the
+ immediate preservation of the public peace, health, or safety within
+ the meaning of Article IV of the California Constitution and shall
+ go into immediate effect. The facts constituting the necessity are:

+ In order to protect a rapidly expanding industry relating to
+ derivatives from industrial hemp in California and to reduce
+ inconsistency in implementation of state and federal law, it is
+ necessary that this bill take effect immediately.

1 SECTION 1. The Legislature finds and declares the following:

1 (a) The Bagley-Keene Open Meeting Act (Article 9
2 (commencing with Section 11120) of Chapter 1 of Part 1 of
3 Division 3 of Title 2 of the Government Code) (hereafter
4 "Bagley-Keene") was intended to implement Section 3 of Article
5 I of the California Constitution, which states in part, "The people
6 have the right of access to information concerning the conduct of
7 the people's business, and, therefore, the meetings of public bodies
8 and the writings of public officials and agencies shall be open to
9 public scrutiny."

10 (b) Bagley-Keene was written to protect public meetings and
11 public notice and to ensure the transparency of actions taken by
12 state agencies, boards, and commissions.

13 (c) Californians have the right to participate in state body
14 deliberations. This includes the public's ability to comment on all
15 agenda items discussed at a meeting of the state body, regardless
16 of whether an item has been discussed previously in a committee
17 of the state body.

18 (d) The purpose of public notice is so that state bodies give the
19 public adequate time for review of the substance of a state body
20 meeting and for comment.

21 (e) Public notice must also include any writings or materials
22 provided by a state body's staff or by a member of the state body
23 to other members of the state body for a noticed meeting of the
24 body.

Amendment 5

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Page 3

Page 3 25 ~~(f) Bagley-Keene affirms these rights by stating in Section 11120~~
 26 ~~of the Government Code, “The people of this state do not yield~~
 27 ~~their sovereignty to the agencies which serve them. The people,~~
 28 ~~in delegating authority, do not give their public servants the right~~
 29 ~~to decide what is good for the people to know and what is not good~~
 30 ~~for them to know. The people insist on remaining informed so that~~
 31 ~~they may retain control over the instruments they have created.”~~

Page 6 10 SEC. 2.— Section 11125.7 of the Government Code is amended
 11 to read:

12 11125.7.— (a) Except as otherwise provided in this section, the
 13 state body shall provide an opportunity for members of the public
 14 to directly address the state body on each agenda item before or
 15 during the state body’s discussion or consideration of the item.
 16 Every notice for a special meeting at which action is proposed to
 17 be taken on an item shall provide an opportunity for members of
 18 the public to directly address the state body concerning that item
 19 prior to action on the item. In addition, the notice requirement of
 20 Section 11125 shall not preclude the acceptance of testimony at
 21 meetings, other than emergency meetings, from members of the
 22 public if no action is taken by the state body at the same meeting
 23 on matters brought before the body by members of the public.

24 (b) The state body may adopt reasonable regulations to ensure
 25 that the intent of subdivision (a) is carried out, including, but not
 26 limited to, regulations limiting the total amount of time allocated
 27 for public comment on particular issues and for each individual
 28 speaker.

29 (c) (1) Notwithstanding subdivision (b), when a state body
 30 limits time for public comment the state body shall provide at least
 31 twice the allotted time to a member of the public who utilizes a
 32 translator to ensure that non-English speakers receive the same
 33 opportunity to directly address the state body.

34 (2) Paragraph (1) shall not apply if the state body utilizes
 35 simultaneous translation equipment in a manner that allows the
 36 state body to hear the translated public testimony simultaneously.

37 (d) The state body shall not prohibit public criticism of the
 38 policies, programs, or services of the state body, or of the acts or
 39 omissions of the state body. Nothing in this subdivision shall confer
 Page 7 1 any privilege or protection for expression beyond that otherwise
 2 provided by law.

3 (e) This section is not applicable to any of the following:

PROPOSED AMENDMENTS

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- 4 ~~(1) Closed sessions held pursuant to Section 11126.~~
- 5 ~~(2) Decisions regarding proceedings held pursuant to Chapter~~
- 6 ~~5 (commencing with Section 11500), relating to administrative~~
- 7 ~~adjudication, or to the conduct of those proceedings.~~
- 8 ~~(3) Hearings conducted by the California Victim Compensation~~
- 9 ~~Board pursuant to Sections 13963 and 13963.1.~~
- 10 ~~(4) Agenda items that involve decisions of the Public Utilities~~
- 11 ~~Commission regarding adjudicatory hearings held pursuant to~~
- 12 ~~Chapter 9 (commencing with Section 1701) of Part 1 of Division~~
- 13 ~~1 of the Public Utilities Code. For all other agenda items, the~~
- 14 ~~commission shall provide members of the public, other than those~~
- 15 ~~who have already participated in the proceedings underlying the~~
- 16 ~~agenda item, an opportunity to directly address the commission~~
- 17 ~~before or during the commission's consideration of the item.~~

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