## SECOND REGULAR SESSION [PERFECTED]

#### HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 2238

#### 97TH GENERAL ASSEMBLY

6436H.05P

D. ADAM CRUMBLISS, Chief Clerk

### AN ACT

To amend chapters 192, 195, and 261, RSMo, by adding thereto four new sections relating to hemp, with an emergency clause.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapters 192, 195, and 261, RSMo, are amended by adding thereto four new sections, to be known as sections 192.945, 195.207, 261.265, and 261.267, to read as follows: 2 192.945. 1. As used in this section, the following terms shall mean: 2 (1) "Department", the department of health and senior services; 3 (2) "Hemp extract", as such term is defined in section 195.207; 4 (3) "Hemp extract registration card", a card issued by the department under this 5 section: 6 (4) "Intractable epilepsy", epilepsy that as determined by a neurologist does not 7 respond to three or more treatment options overseen by the neurologist; 8 (5) "Neurologist", a physician who is licensed under chapter 334 and board 9 certified in neurology; 10 (6) "Parent", a parent or legal guardian of a minor who is responsible for the 11 minor's medical care; 12 (7) "Registrant", an individual to whom the department issues a hemp extract registration card under this section. 13 14 2. The department shall issue a hemp extract registration card to an individual 15 who: 16 (1) Is eighteen years of age or older; 17 (2) Is a Missouri resident; EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended

to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 (3) Provides the department with a statement signed by a neurologist that: 19 (a) Indicates that the individual suffers from intractable epilepsy and may benefit 20 from treatment with hemp extract; and 21 (b) Is consistent with a record from the neurologist concerning the individual 22 contained in the database described in subsection 9 of this section; 23 (4) Pays the department a fee in an amount established by the department under 24 subsection 6 of this section; and 25 (5) Submits an application to the department on a form created by the department that contains: 26 27 (a) The individual's name and address; 28 (b) A copy of the individual's valid photo identification; and 29 (c) Any other information the department considers necessary to implement the provisions of this section. 30 31 3. The department shall issue a hemp extract registration card to a parent who: 32 (1) Is eighteen years of age or older; 33 (2) Is a Missouri resident; 34 (3) Provides the department with a statement signed by a neurologist that: 35 (a) Indicates that a minor in the parent's care suffers from intractable epilepsy and 36 may benefit from treatment with hemp extract; and 37 (b) Is consistent with a record from the neurologist concerning the minor contained 38 in the database described in subsection 9 of this section; 39 (4) Pays the department a fee in an amount established by the department under 40 subsection 6 of this section; and 41 (5) Submits an application to the department on a form created by the department that contains: 42 43 (a) The parent's name and address; 44 (b) The minor's name; (c) A copy of the parent's valid photo identification; and 45 46 (d) Any other information the department considers necessary to implement the provisions of this section. 47 48 4. The department shall maintain a record of the name of each registrant and the 49 name of each minor receiving care from a registrant. 50 5. The department shall promulgate rules to implement the provisions of this 51 section including establishing the information the applicant is required to provide to the 52 department and establishing in accordance with recommendations from the department of public safety the form and content of the hemp extract registration card. 53

3

6. The department shall establish fees that are no greater than the amount necessary to cover the cost the department incurs to implement the provisions of this section.

57 7. The registration cards issued under this section shall be valid for one year and 58 renewable if at the time of renewal the registrant meets the requirements of either 59 subsection 2 or 3 of this section.

8. The neurologist who signs the statement described in subsection 2 or 3 of this
section shall:

(1) Keep a record of the neurologist's evaluation and observation of a patient who
 is a registrant or minor under a registrant's care including the patient's response to hemp
 extract; and

65 (2) Transmit the record described in subdivision (1) of this subsection to the 66 department.

9. The department shall maintain a database of the records described in subsection
8 of this section and treat the records as identifiable health data.

10. The department may share the records described in subsection 9 of this section
 with a higher education institution for the purpose of studying hemp extract.

195.207. 1. As used in section 192.945, 261.265, 261.267, and this section, the term 2 "hemp extract" shall mean an extract from a cannabis plant or a mixture or preparation 3 containing cannabis plant material that:

4 (1) Is composed of no more than three tenths percent tetrahydrocannabinol by 5 weight;

6

(2) Is composed of at least five percent cannabidiol by weight; and

7

(3) Contains no other psychoactive substance.

8 2. Notwithstanding any other provision of this chapter, an individual who possesses 9 or uses hemp extract is not subject to the penalties described in this chapter for possession 10 or use of the hemp extract if the individual:

(1) Possesses or uses the hemp extract only to treat intractable epilepsy as defined
 in section 192.945;

(2) Originally obtained the hemp extract from a sealed container with a label
 indicating the hemp extract's place of origin and a number that corresponds with a
 certificate of analysis;

16 (3) Possesses, in close proximity to the hemp extract, a certificate of analysis that:

17 (a) Has a number that corresponds with the number on the label described in 18 subdivision (2) of this subsection;

4

19 (b) Indicates the hemp extract's ingredients including its percentages of 20 tetrahydrocannabinol and cannabidiol by weight;

21 (c) Is created by a laboratory that is not affiliated with the producer of the hemp 22 extract and is licensed in the state where the hemp extract was produced; and

23 (d) Is transmitted by the laboratory to the department of health and senior services;
24 and

(4) Has a current hemp extract registration card issued by the department of health
 and senior services under section 192.945.

3. Notwithstanding any other provision of this chapter, an individual who possesses
hemp extract lawfully under subsection 2 of this section and administers hemp extract to
a minor suffering from intractable epilepsy is not subject to the penalties described in this
chapter for administering the hemp extract to the minor if:

31

(1) The individual is the minor's parent or legal guardian; and

32 (2) The individual is registered with the department of health and senior services
33 as the minor's parent under section 192.945.

34 4. Notwithstanding any other provision of this chapter, an individual who possesses 35 up to twenty ounces of hemp extract is not subject to the penalties described in this chapter for possession or use of hemp extract. Subject to any rules or regulations promulgated by 36 37 the department of health and senior services, an individual may apply for a waiver if a 38 physician provides a substantial medical basis in a signed, written statement asserting that, 39 based on the patient's medical history, in the physician's professional judgment, twenty 40 ounces is an insufficient amount to properly alleviate the patient's medical condition or symptoms associated with such medical condition. 41

261.265. 1. For purposes of this section, the following terms shall mean:

2 (1) "Cannabidiol oil care center", the premises specified in an application for a 3 license in which the licensee is authorized to distribute processed hemp extract to 4 consumers, including persons possessing a hemp extract registration card issued under 5 section 192.945;

6 (2) "Cultivation and production facility", the land and premises specified in an 7 application for a cultivation and production facility license on which the licensee is 8 authorized to grow, cultivate, process, and possess hemp and hemp extract;

9 (3) "Cultivation and production facility license", license that authorizes the licensee 10 to grow, cultivate, process, possess, and distribute to its cannabidiol oil care center;

11

(4) "Department", the department of agriculture;

12 (5) "Grower", a nonprofit entity licensed by the department of agriculture that 13 produces hemp extract for the treatment of intractable epilepsy;

14 **(6) "Hemp":** 

(a) All non-seed parts and varieties of the cannabis sativa plant, whether growing
 or not, that contain a crop wide average tetrahydrocannabinol (THC) concentration that
 does not exceed the lesser of:

18 a. Three-tenths of one percent on a dry weight basis; or

b. The percent based on a dry weight basis determined by the federal ControlledSubstances Act;

21

24

(b) Any cannabis sativa seed that is:

22 **a.** Part of a growing crop;

23 b. Retained by a grower for future planting; or

c. For processing into or use as agricultural hemp seed.

25 This term shall not include industrial hemp commodities or products.

(7) "Hemp monitoring system", an electronic tracking system that includes, but is not limited to, testing and data collection established and maintained by the cultivation and production facility and is available to the department for the purposes of documenting the hemp extract production and retail sale of the hemp extract.

30 **2.** All growers shall keep records in accordance with rules adopted by the 31 department. Upon at least three days notice, the director of the department may audit the 32 required records during normal business hours. The director may conduct an audit for 33 the purpose of ensuring compliance with this section.

34 **3.** In addition to an audit conducted in accordance with subsection 2 of this section, 35 the director may inspect independently, or in cooperation with the state highway patrol or 36 a local law enforcement agency, any hemp crop during the crop's growth phase and take 37 a representative composite sample for field analysis. If a crop contains an average 38 tetrahydrocannabinol (THC) concentration exceeding the lessor of:

39

(1) Three-tenths of one percent on a dry weight basis; or

40 (2) The percent based on a dry weight basis determined by the federal Controlled
41 Substance Act under 21 U.S.C. Section 801 et seq.

42 **4.** A grower may produce, manufacture, and distribute hemp extract as defined 43 in section 195.207 for the treatment of persons suffering from intractable epilepsy as 44 defined in section 192.945 consistent with any and all state or federal regulations regarding 45 the production, manufacture, or distribution of such product. The department of 46 agriculture and the department of health and senior services shall establish rules and 47 regulations regarding the manufacture, storage, transportation, and distribution of hemp 48 extract under this section which shall be in addition to any other state or federal regulations. Up to two licenses in the state may be granted by the department and a
licensee may have up to three cannabidiol oil care centers.

5. All hemp waste from the production of hemp extract shall either be destroyed, 52 recycled by the licensee at the hemp cultivation and production facility, or donated to the 53 department or an institution of higher education for research purposes, and shall not be 54 used for commercial purposes.

6. The department shall license a grower to grow or cultivate the cannabis plant used to make hemp extract as defined in subsection 1 of section 195.207 or hemp on its property if the grower has submitted to the department an application as required by the department under subsection 8 of this section.

59 7. The department shall maintain a list of cultivation and production facility 60 licensees.

61 8. The department shall promulgate rules including, but not limited to, application 62 requirements for licensing, security requirements for cultivation and production facility premises, including, at a minimum, lighting, physical security, video and alarm 63 64 requirements, hemp monitoring systems as defined in this section, and other procedures 65 for internal control as deemed necessary by the department to properly administer and enforce the provisions of this section, including reporting requirements for changes, 66 alterations, or modifications of the premises. Any rule or portion of a rule, as that term 67 68 is defined in section 536.010, that is created under the authority delegated in this section 69 shall become effective only if it complies with and is subject to all of the provisions of 70 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are 71 nonseverable, and if any of the powers vested with the general assembly under chapter 536 72 to review, to delay the effective date, or to disapprove and annul a rule are subsequently 73 held unconstitutional, then the grant of rulemaking authority and any rule proposed or 74 adopted after August 28, 2014, shall be invalid and void.

261.267. The department of agriculture shall adopt rules and regulations requiring any hemp extract received from a legal source to be submitted to a testing facility 2 3 designated by the department to ensure that such hemp extract complies with the 4 provisions of section 195.207 and to ensure that the hemp extract does not contain any 5 pesticides. Any hemp extract that is not submitted for testing or which after testing is 6 found not to comply with the provisions of section 195.207 shall not be distributed or used 7 and shall be submitted to the department for destruction. Any rule or portion of a rule, 8 as that term is defined in section 536.010, that is created under the authority delegated in 9 this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 10

11 are nonseverable, and if any of the powers vested with the general assembly under chapter

12 536 to review, to delay the effective date, or to disapprove and annul a rule are 13 subsequently held unconstitutional, then the grant of rulemaking authority and any rule

14 proposed or adopted after August 28, 2014, shall be invalid and void.

Section B. Because immediate action is necessary to provide individuals suffering from epilepsy with access to medical treatment, section A of this act is deemed necessary for the immediate preservation of the public health, welfare, peace, and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and section A of this act shall be in full force and effect upon its passage and approval.

1