

HB 393 -- HEMP-DERIVED CONSUMABLE PRODUCTS

SPONSOR: Hinman

TAXATION (Section 144.028)

This bill specifies that an excise tax of 2% on retail sales of hemp-derived consumable products will be imposed for all tax years beginning on or after January 1, 2026. Revenue derived from this tax will fund veterans' programs, drug abuse prevention and education programs, and first responder programs.

AGE RESTRICTIONS (Section 195.2555)

The bill restricts the sale or distribution of hemp-derived consumable products to persons under 21, as well as the sale and distribution of hemp-derived consumable products in a public setting. A retailer must keep all hemp-derived consumables, besides hemp-derived consumable beverage products, in a restricted area that cannot be easily accessed by persons under 21. Any hemp-derived consumable beverage products for sale must be merchandised in a manner indicating the products contain hemp-derived cannabinoids, as defined in the bill, and are not for sale to individuals under 21. Any person who violates this provision will be subject to penalties, as listed in the bill, that will be enforced by the Division of Alcohol and Tobacco Control within the Department of Public Safety.

LICENSING (Section 195.2560)

This bill specifies that any person that is in the business of hemp-derived consumable products in this State must obtain a license from the Division. Any license granted to a retailer will be location specific; any license granted to a manufacturer or distributor will not be location specific. The bill lists the steps necessary to obtain and maintain a license for a retailer, distributor, and manufacturer, as well as the amount of time a license is valid and fees associated with license renewal. Beginning on the effective date of this Section, no new retail establishment offering hemp-derived consumables will be within a certain proximity of schools. Any retail establishments that were within the listed proximity of a school prior to the effective date of this Section will be allowed to continue to operate.

HEMP BUSINESS FUND (Section 195.2563)

The bill creates the "Hemp Business Fund". All fees collected relating to the licensure of manufacturers, distributor, and retailers of hemp-derived consumable products as described above

will be deposited into this Fund. Administration of moneys from this Fund will be used solely for the purposes of Sections 195.2550 to 195.2635.

#### TESTING (Section 195.2570)

The Department of Health and Senior Services will oversee all testing of the final form of hemp-derived consumable products. A website containing a registry of independent testing laboratories will be maintained by the Department. Independent testing laboratories wishing to test hemp-derived consumable products will register with the Department.

A manufacturer must ensure its product is tested prior to distribution to a distributor or retailer. A distributor will not be required to test the product if the product is packaged in a way that may be sold to the consumer and the distributor does not open the packaging. The testing required in Section 195.2570 will determine the presence and amounts of any of the substances listed in Section 195.2570. If any product contains an excessive amount of any listed substance, that product will not be sold.

Each product tested in accordance with Section 195.2570 will receive a certificate of analysis (COA) issued by the testing laboratory demonstrating that the product has successfully undergone testing as well as a best-by date on the labeling of the product.

#### LABELING (Section 195.2575)

This bill specifies that any hemp-derived consumable product offered for sale must have a label that contains the information listed in Section 195.2575. Hemp-derived consumable product labels must not contain any imaging that is typically used to appeal to children.

#### SERVING SIZE AND PACKAGING (Section 195.2580)

The bill specifies that hemp-derived consumable products that are intended for ingestion but not inhalation, hemp-derived consumable beverage products, hemp-derived tinctures, and hemp-derived consumable products intended for inhalation that are being sold within the State must adhere to the requirements listed in Section 195.2580 for THC quantity, packaging, and serving size. Any hemp-derived consumable product sold in violation of the requirements established in Sections 195.2550 to 195.2635 is subject to seizure and forfeiture.

#### HEMP-BASED CONSUMABLE PRODUCT RELATED OFFENSES (Section 195.2590)

This bill specifies if a person under the influence of a hemp-derived consumable product operates certain listed vehicles, they will be subject to penalties listed under Section 577.010. A person who operates a motor vehicle while consuming a hemp-based beverage product or operates a motor vehicle with an open container of hemp-based beverage product in the motor vehicle will be subject to penalties listed in Section 195.2590.

#### PRODUCTION, MANUFACTURING, AND DISTRIBUTION (Section 195.2595)

This bill does not restrict hemp-derived consumable beverage product manufacturers from assigning exclusive territories for distribution of hemp-derived consumable beverage products.

Any entity holding one of the three types of hemp-derived consumable product licenses that is engaged in the production, manufacturing, distribution, or sale of hemp-derived consumable beverage products must not hold a license for or have a financial interest related to the other two hemp-derived consumable products licenses.

A hemp-derived consumable beverage product manufacturer that sells over 1,000 gallons of product per year must not convey products, as listed in the bill, to retailers but may convey products to distributors. Distributors may convey product to retailers. No one can ship, in any way, product directly to a resident of this State.

#### REGISTRATION (Section 195.2600)

The bill specifies that every hemp-derived consumable product distributed or available for distribution in this State must be registered with the Division through an application that includes identifying information about the product and applicant, and a COA from an independent testing laboratory.

The Division may deny incomplete applications and may require a new registration if updated information is needed for a product.

#### INSPECTIONS (Section 195.2607)

The Division will conduct randomized inspections of hemp-derived consumable products distributed within the State to ensure compliance with the requirements listed in this bill.

#### ON-PREMISES SALES AND CONSUMPTION (Section 195.2610)

This bill specifies that all establishments offering hemp-derived consumable beverage products must be licensed as required by this bill. A beverage product may be sold by on-premises retailers or in food service establishments only if they have been registered in accordance with Section 195.2600. These establishments must not sell Hemp-derived consumable products at a temporary event without first obtaining a license and permit to do so.

A person that is under 21 is not allowed to sell hemp-derived beverage products unless they are an employee of the establishment, over 18, and under the supervision of someone 21 or over. Beverage products can only be sold for on-site consumption to individuals who are 21 or over based on proof of age or an ordinary person standard as stated in the bill.

Unless stated otherwise in Section 195.2610, all hemp-derived beverage products being sold for on-site consumption must be prepackaged, cannot be added to ingestible food products, may be combined with non-alcoholic ingestible beverage products, and cannot be provided to an individual that appears intoxicated. Upon request, an on-premises retailer must provide identifying information about a hemp-derived consumable beverage product to a customer. On-site samples of hemp-derived beverage products may be provided if the person sampling the product is 21 or over and the sampling procedure is responsibly done.

#### FRANCHISE, DISTRIBUTOR, AND MANUFACTURER RELATIONSHIP (Section 195.2620)

This bill specifies that if more than one franchise for the same brand or brands of hemp-derived consumable beverage products is granted to different distributors, manufacturers cannot discriminate between distributors with respect to any language concerning the franchises.

Any manufacturer that wishes to terminate any franchise with a distributor must have good cause to do so and any distributor may bring a cause of action against any manufacturer for any violation of Section 195.2620.

#### SCHOOL PROPERTY (Section 195.2635)

The bill specifies that prior to July 1, 2026, each school district in the State must adopt a policy that prohibits the use of any hemp-derived consumable product on any property owned by the school district or at any school-sanctioned event not on school district property. However, a licensed health care professional may administer a hemp-derived consumable product to a student at school under certain conditions listed in the bill. Any hemp-derived

consumable that is provided to a school under Section 195.2635 must be kept in an area inaccessible to students, teachers, staff, and administrators.