

HB 463 -- CONSUMABLE HEMP PRODUCTS

SPONSOR: Hovis

This bill creates licenses for hemp beverage manufacturers, hemp beverage wholesalers, and hemp beverage retailers.

A person, cooperative, or business may hold both a hemp beverage manufacturer and hemp beverage retailer license, but may only operate hemp beverage retail operations on site at the premises where the hemp beverage product is manufactured.

No person, cooperative, or business holding any one of the three types of hemp beverage licenses can hold either of the other two types of hemp beverage licenses and may not have a financial interest, either direct or indirect, in a person, cooperative or business holding any of the other two types of hemp beverage licenses.

Hemp beverage manufacturers can solicit and sell hemp beverage products to hemp beverage wholesalers but they cannot sell directly to a hemp beverage retailer. Hemp beverage wholesalers can solicit and sell hemp beverage products to hemp beverage retailers.

A person, cooperative, or business holding a hemp beverage manufacturer license, hemp beverage wholesaler license, or a hemp beverage retailer license, or any combination of the three, may not hold a cannabis business license.

No hemp beverage wholesaler or hemp beverage retailer may distribute or sell any hemp beverage products that they know or reasonably should know were manufactured outside of the United States of America.

The bill specifies the qualifications to receive a license, fees for licensure, and the application process.

The bill outlines the health and safety standards of the hemp beverage manufacturer facilities and what ingredients are allowed or prohibited from being in the hemp beverages. The bill also outlines the packaging and labeling requirements for hemp beverages. Any hemp beverage manufacturer or wholesaler who violates the health and safety standards specified in the bill, or permits its employees, officers, or agents to do so, will be guilty of a misdemeanor, and upon conviction will be subject to the following fines:

- (1) For the first offense, a fine of \$1,000 dollars;

- (2) For a second offense, a fine of \$5,000 dollars; and
- (3) For a third offense, a fine of \$25,000 dollars.

The bill prohibits the sale of hemp beverages to anyone under the age of 21. Anyone who sells hemp beverages must also be 21 years old. A manufacturer, wholesaler, or retailer of a hemp beverage product cannot advertise, market, or offer for sale the product by using, in the labeling or design of the product or product packaging or in advertising or marketing materials for the product trade dress, trademarks, branding, or other related materials, any imagery or scenery that depicts or signifies characters or symbols known to appeal primarily to persons under 21 years of age.

The Division of Alcohol and Tobacco Control will set the tax rate for the retail sale of hemp beverages but the rate must be between 6% and 8%.