

HB 696 -- HEMP REGULATIONS

SPONSOR: Baker

This bill establishes the "Missouri Hemp Consumer Protection Act".

The bill prohibits a person who is under the age of 21 from knowingly selling, distributing, or purchasing a hemp-derived consumable product, and also prohibits the act of persuading, enticing, sending, or assisting a person who is under the age of 21 to purchase, acquire, receive, or attempt to purchase a hemp-derived consumable product.

This bill allows a person who is under the age of 21 to consume hemp-derived consumables under the supervision of a parent or legal guardian. If the person is 18 years of age or older and a veteran, he or she may purchase, accept receipt of, possess, consume, or use a hemp-derived consumable.

The bill details the manner in which certain hemp-derived consumable beverage must be displayed as merchandise in a retail establishment, including an indication that such consumables are for sale only to persons 21 years of age or older. Any person in violation of these provisions will be fined not more than \$200, with subsequent violations classified as a class D misdemeanor.

The Division of Alcohol and Tobacco Control (DATC) must issue licenses for the manufacture and sale of hemp-derived consumables, and any entity or person engaged in the business of manufacturing or selling of such products that does not have a valid license will be fined not more than \$250.

A person or entity that obtains a manufacturer, distributor, or retailer license must:

- (1) Submit an application including the applicant's name, address, and a legal description of the location to be used for sales, if applicable;
- (2) Pay the DATC a fee not to exceed \$250 for a manufacturer or distributor, and \$100 for a retailer; and
- (3) Consent to reasonable inspection and sampling by DATC.

Licenses will be valid for one year and may be renewed annually with a renewal fee equal to the initial licensing fee. No new retail establishments can be located within 100 feet of any educational institution, with certain exceptions described in the bill.

This bill creates the "Hemp Business Fund". All fees collected by the DATC related to hemp-derived consumables must be deposited into the fund. The state treasurer will administer the fund, and can approve disbursements.

Before April 1, 2026, the DATC must set rules on the licensure of hemp-derived consumables. Such rules must, at a minimum:

- (1) Set application forms and guidelines;
- (2) Specify the date for hemp-derived businesses operating before the effective date of this bill must obtain a license;
- (3) Set requirements for business operations; and
- (4) Specify procedures for denial or revocation of licenses.

All testing of hemp-derived consumable products shall be overseen by the Department of Health and Senior Services (DHSS). The DHSS must maintain a registry of independent testing laboratories qualified to test manufactured material and finished products. The application process for qualified testing laboratories is listed in the bill.

A manufacturer must ensure that hemp used in its products undergoes full-panel testing. If the hemp has valid full-panel test results, the hemp-derived consumable product will be required to undergo only potency testing. A distributor must ensure its hemp-derived consumable product is tested for potency prior to distribution to a retailer.

Any hemp used in the manufacture of hemp-derived consumable products for sale must be tested for the presence of the following substances:

- (1) Heavy metals;
- (2) Pesticides;
- (3) Mycotoxins;
- (4) Solvents; and
- (5) Microbials.

Independent testing laboratories providing full-panel or potency testing must follow the provisions and regulations described in the

bill, including methods, certificates of analysis, and best-by date labels.

The bill requires certain information be included on the label of a hemp-derived consumable product offered for distribution or sale, as described in the bill, in no less than three-point font. Hemp-derived consumable products that are intended for ingestion or inhalation must follow certain guidelines in packaging, as described in the bill. The bill regulates the advertising, marketing, or sale of hemp-derived consumable products that retailers or manufacturers must follow, as described in the bill.

This bill requires that a person must not do the following while impaired by the use of a hemp-derived consumable product:

- (1) Undertake any task that would constitute negligence or professional malpractice; or
- (2) Operate, navigate, or be in physical control of a motor vehicle, aircraft, or watercraft;

An employer is not required to accommodate an employee's use of a hemp-derived consumable product in the workplace or an employee working while under the influence of a hemp-derived consumable product.

A person will not be exempt from prosecution for a criminal offense related to impairment or intoxication from a hemp-derived consumable product nor relieved from submitting to a breath, blood, urine, or other test to detect controlled substances.

This bill prohibits hemp-derived consumable beverage product manufacturers from assigning exclusive territories for distribution.

The bill requires that manufacturers register their hemp-derived consumable products for distribution on an application that includes certain information, as described in the bill. The DATC may conduct random audits to ensure compliance with registration requirements. New and updated product registration is required for:

- (1) Any change in the hemp-derived consumable product's ingredients;
- (2) Any change of name for the product;
- (3) Any change to the directions for use.

This bill requires that potency testing of any hemp-derived consumable product must be conducted on such products in its final form in accordance with oversight authority of the DHSS described above.

The bill allows the DATC to periodically sample, analyze, and test hemp-derived consumable products. The procedures to be used for testing are described in the bill.

This bill requires that all retail establishments and food service establishments offering hemp-derived consumable products must be licensed by the DATC. Such products can be sold in retail and food establishments if they have been registered. Hemp-derived consumable products shall not be offered at a temporary event at a retail or food service establishment unless it has been issued a temporary event permit.

Retail or food service establishments can not permit a person under the age of 21 to serve or handle hemp-derived consumable products unless:

- (1) The person is an employee of the business who is 18 years of age or older; and
- (2) The person is under the direct supervision of a person 21 years of age or older.

The bill allows a person under 18 years of age to work in hemp fields or participate in the processing of raw hemp flowers, provided that such person is supervised by a person 21 years of age or older. A prospective purchaser or recipient of a hemp-derived consumable product that is meant to be consumed on-site must present proof of age. Hemp-derived consumable products can not be added to an ingestible food products at a food service establishment, but may be added to a nonalcoholic ingestible beverage product.

This bill requires that a food service establishment offering hemp-derived consumable products must provide certain documents and information upon inspection or requested, as described in the bill. Food service establishments must notify DATC within 24 hours of any serious adverse event associated with a hemp-derived consumable product sold by the establishment. If on-site sampling of a hemp-derived consumable product is offered by a manufacturer at its place of business, such sampling may only be consumed by persons 21 years of age or older.

The bill allows the DATC to regulate the advertising and promotion of hemp-derived consumable product sales, so long as such

regulations are no more stringent than state regulations applied to alcohol sales.

This bill exempts safe harbor hemp products and safe harbor manufacturers or storage facilities from the provisions described above. Hemp-derived consumable products intended for distribution or resale outside of Missouri are exempt from any registration requirements.

The bill permits registered nurses to administer a hemp-derived consumable product to a student under the following conditions:

- (1) The parent or legal guardian submits a written letter specifying the reason for the administration and the amount to be administered;
- (2) For each product to be administered, no more than a three month supply can be provided to the school at any given time; and
- (3) Any product provided to a school is kept in an area that is inaccessible to other students, teachers, staff, and administrators.

Hemp-derived consumable products can be sold or consumed at any festival or event held on school grounds where alcohol is otherwise permitted as long as the festival or event complies with general requirements.