

HCS HB 2641 -- CANNABIS

SPONSOR: Hinman

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Crime and Public Safety by a vote of 15 to 1. Voted "Do Pass" by the Standing Committee on Rules-Administrative by a vote of 11 to 0.

The following is a summary of the House Committee Substitute for HB 2641.

This bill modifies the definition of "industrial hemp" and adds a definition of "hemp", as provided in the bill.

The bill states that no state agency or state employee will disclose any personally identifying information of persons who have applied for or obtained a qualifying patient identification card, a qualifying patient cultivation identification card, or primary caregiver identification card for medical marijuana to the Federal government or any Federal employee, or other unauthorized third party, unless required to do so pursuant to a subpoena or court order issued by a court. Any person who knowingly violates these provisions will be guilty of a class E felony (Section 195.800).

Upon the written request of a consumer, a marijuana dispensary shall not create or retain any record containing a consumer's identifying information. This provision will not apply to any constitutionally-mandated record-keeping requirements relating to qualifying patients and primary caregivers. Dispensary facilities that violate the provisions of this bill will be assessed a \$2,500 fine per occurrence (Section 195.819).

This bill establishes the "Intoxicating Cannabinoid Control Act". All hemp-derived cannabinoid products must be construed to conform to, and be included in, the definition of "marijuana" under the Missouri Constitution. The cultivation, production, manufacturing, testing, transportation, and retail sale of all hemp-derived cannabinoid products in Missouri must be conducted solely by entities that are licensed by the Department of Health and Senior Services, and are subject to the legal framework contained in the Missouri Constitution. The Attorney General, the Department of Health and Senior Services, the Department of Public Safety, prosecuting and circuit attorneys, and other state agencies will collaborate to enforce these provisions, as specified in the bill.

"Hemp" and "industrial hemp", as those terms are defined in the bill, are not considered marijuana and therefore are not subject to the legal framework contained in the Missouri Constitution.

No person or entity engaged in the sale of cannabidiol (CBD), hemp, marijuana, cannabinoids, hemp-derived cannabinoid products, or related paraphernalia, other than a comprehensive or medical marijuana dispensary facility or a micro-business dispensary facility, shall carry on, conduct, or transact business under a name that contains, as part of the name, the word "dispensary".

The Attorney General will have primary jurisdiction to enforce these provisions, but must coordinate such efforts with other state departments and agencies, as specified in the bill.

Any person or entity in violation of these provisions will be guilty of a class D felony and subject to a fine of \$5,000 per transaction.

The bill states that if the sale of hemp-derived cannabinoid products becomes legal under federal law, hemp-derived cannabinoid products may be sold in the state in a manner consistent with federal law.

This bill is contingent upon the effective date of Federal legislation that amends the definition of hemp to exclude intoxicating cannabinoids or that otherwise prohibits the sale of intoxicating hemp-derived cannabinoid products (Section B).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that they have been working on a compromise bill to keep intoxicating cannabinoids out of the hands of children, that also keeps businesses happy. However, under HR 5371, which is due to become effective November 12, 2026, intoxicating hemp products are not legal under federal law. There have been different approaches to how to solve this issue, but now the Federal government has stepped up to solve the problem. Labeling intoxicating cannabinoids as marijuana means the products could be tested and regulated the same way marijuana is in the State. Congress did not realize when it decriminalized nonintoxicating cannabinoids that there are minor deltas that people could manipulate to make intoxicating, so they have

criminalized that. In November, Congress amended the 2018 farm bill to clearly capture its intent rather than just delta-9. They changed it from .3% by dry weight of delta-9 to .3% total THC by dry weight. This bill codifies federal law. This gives the Attorney General primary enforcement jurisdiction. Under this bill, adult-use consumers can ask dispensaries not to retain their information but IDs have to be checked somewhere to ensure that these products are not getting into kids' hands. Shops want to be able to sell anything that is regulated and lawfully authorized to be sold, and they are ok with products that are more than .4 milligrams total weight to be sold in marijuana dispensaries. The resolution that goes into effect later this year might be amended prior to its effective date to allow for the sale of some intoxicating cannabinoids. Young people continue to fall victim to opioid addiction and part of the problem is that these products are easily accessible to children. This is a public safety issue, and law enforcement needs something in place to protect communities and kids.

Testifying in person for the bill were Representative Hinman; Missouri Petroleum & Convenience Assn. (MPCA); Municipal League Of Metro St. Louis; Chris Digiuseppi; MoCannTrade; Gary Wiegert; and Great States Strategy.

OPPONENTS: Those who oppose the bill say that there is no way to know what Congress's intent was when they passed the farm act in 2018. Marijuana is sold in Missouri even though marijuana is still illegal under the federal level. There is no regulation on amounts that can be sold and age restrictions on who can buy it. The Federal government will probably give it back to the states to regulate like it does with alcohol. This bill would drive responsible retailers, who have been self-regulating for years, to close their doors and lay off dozens of employees. This industry generates lots of sales tax revenue. Missouri should focus on clear regulation and taxation rather than eliminating the industry. This legislation sends a chilling message to entrepreneurs in the State. The State should work with business owners and health experts to properly regulate the industry. The marijuana industry here is rigged and, because of that, many retailers could not enter the industry and the marijuana industry took advantage of this retailer industry. Opponents would like to see Missouri file something similar to the Florida bill (HB 2768). The industry has come to the legislature for the last three years and asked for regulations but the legislature has not acted.

Testifying in person against the bill were Arnie C. Dienoff; Nathan Simpson, Canna Corner; Missouri Beer Wholesalers Association; Shaman Botanicals, and Shaman Pharma LLC; and Russ Lyons.

OTHERS: Others testifying on the bill say everyone wants to protect kids and support the legislature in an effort to regulate. When the resolution was passed by the Federal government in October allowing for the redefinition of hemp, it was allowed to get through because of the government shutdown. There were many representatives who were opposed to it but they did not think hemp would be an issue in reopening the government. There was a moratorium on enforcement for one year, with the intent to give people a year to come up with regulations and that was the whole point of the resolution. There has been a lot of blowback due to that particular language and they have been inundated with letters and calls saying they are opposed to the language that's out there. There are benefits to this industry and they should look into proper regulation because the alcohol industry is regulated but it is far more dangerous and offensive than cannabis products.

Testifying in person on the bill were Craig Katz, MoHemp; Paul Vega Jr; Craig Katz, Mo Hemp Trade Association; Hemp Beverage Alliance; Jamie Turner, Grateful Headz; William Wisner, Grunt Style Foundation.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.