**A** **BILL**

TO AMEND CHAPTER 55, TITLE 46, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE CULTIVATION OF INDUSTRIAL HEMP, SO AS TO PROVIDE A DEFINITION FOR THE TERMS “DIVISION” AND “GROWER”, AND TO PROVIDE A PROCEDURE TO LICENSE AND REGULATE A PERSON OR BUSINESS THAT ENGAGES IN THE PRODUCTION OF INDUSTRIAL HEMP.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 55, Title 46 of the 1976 Code is amended to read:

“CHAPTER 55

Industrial Hemp Cultivation

Section 46‑55‑10. For the purposes of this chapter:

(1) ‘Division’ means the Division of Regulatory and Public Service Programs, College of Agricultural Sciences, Clemson University.

(2) ‘Grower’ means any person or business entity licensed under this chapter by the division as an industrial hemp grower.

(3) ‘Industrial hemp products’ means all products made from industrial hemp, including, but not limited to, cloth, cordage, fiber, food, fuel, paint, paper, particleboard, plastics, seed, seed meal and seed oil for consumption, and seed for cultivation if the seeds originate from industrial hemp varieties.

~~(2)~~(4) ‘Industrial hemp’ means all parts and varieties of the plant cannabis sativa, cultivated or possessed by a licensed grower, whether growing or not, that contain of no more tetrahydrocannabinol concentration than adopted by federal law in the Controlled Substances Act, 21 U.S.C. 801, et seq.

~~(3)~~(5) ‘Tetrahydrocannabinol’ means the natural or synthetic equivalents or substances contained in the plant, or in the resinous extractives of cannabis, or any synthetic substances, compounds, salts, or derivatives of the plant or chemicals and their isomers with similar chemical structure and pharmacological activity.

Section 46‑55‑20. It is lawful for an individual to cultivate, produce, or otherwise grow industrial hemp in this State to be used for any lawful purpose, including, but not limited to, the manufacture of industrial hemp products, and scientific, agricultural, or other research related to other lawful applications for industrial hemp.

Section 46‑55‑30.Industrial hemp is excluded from the definition of marijuana in Section 44‑53‑110.

Section 46‑55‑40. An individual who manufactures, distributes, dispenses, delivers, purchases, aids, abets, attempts, or conspires to manufacture, distribute, dispense, deliver, purchase, or possesses with the intent to manufacture, distribute, dispense, deliver, or purchase marijuana on property used for industrial hemp production, or in a manner intended to disguise the marijuana due to its proximity to industrial hemp, is guilty of a misdemeanor and, upon conviction, must be imprisoned not more than three years or fined not more than three thousand dollars, or both. The penalty provided for in this section may be imposed in addition to any other penalties provided by law.

Section 46‑55‑50. (A) A person or business entity engaging in the production of industrial hemp shall be licensed as an industrial hemp grower by the division. A license from the division shall authorize industrial hemp production only at a site or sites specified by the license.

(B) An applicant for licensure shall complete the form provided by the division.

(C) A license is valid for twenty‑four months from the date of issuance and may be renewed. A license is not transferable to another person or business entity.

(D) The department shall require an applicant to undergo a criminal history record check conducted by the State Law Enforcement Division prior to the issuance of a license. All costs associated with the criminal history record check are the responsibility of the application. A person who has been convicted of a felony offense in South Carolina or a comparable offense in another jurisdiction shall not be eligible for a license under this chapter.

(E) When applying for a license, an applicant shall provide information sufficient to demonstrate to the division that the applicant intends to grow and is capable of growing industrial hemp in accordance with this chapter, which at a minimum shall include:

(1) a set of classifiable fingerprints and written authorization permitting the criminal history record check as required in subsection (C);

(2) documentation certifying that the seeds obtained for planting are of a type and variety compliant with the maximum concentration of tetrahydrocannabinol adopted by federal law in the Controlled Substances Act, 21 U.S.C. 801, et seq.; and

(3) documentation providing the location and acreage of all parcels sown and other field reference information as may be required by the department.

(F) To qualify for a license, an applicant shall demonstrate to the division that the applicant has adopted methods to ensure the legal production of industrial hemp, which at a minimum shall include:

(1) ensuring that all parts of the industrial hemp plant that do not enter the stream of commerce as hemp products are destroyed, incorporated into the soil, or otherwise properly disposed of; and

(2) maintaining records that reflect compliance with the provisions of this chapter and with all other state laws, regulations and rules which regulate the planting and cultivation of industrial hemp.

(G) Every licensee shall maintain all production and sales records for at least three years;

(H) Every licensee shall allow industrial hemp crops, throughout sowing, growing season, harvest, storage, and processing, to be inspected by and at the discretion of the division.

Section 46‑55‑60. The minimum cost of the biennial license is three hundred dollars. Any acreage over twenty acres shall be assessed a biennial cost of fifty dollars per acre.

Section 46‑55‑70. (A) The division may deny, suspend, revoke or refuse to renew the license of any grower who:

(1) makes a false statement or misrepresentation on an application for a license or renewal of a license; or

(2) fails to comply with or violates any provision of this chapter or any regulation.

(B) Revocation or suspension of a license may be in addition to any civil or criminal penalties imposed on a grower for a violation of any other federal or state law.

Section 46‑55‑80. The division shall promulgate regulations related to the implementation of this chapter.”

SECTION 2. The repeal or amendment by this act of any law, whether temporary or permanent or civil or criminal, does not affect pending actions, rights, duties, or liabilities founded thereon, or alter, discharge, release or extinguish any penalty, forfeiture, or liability incurred under the repealed or amended law, unless the repealed or amended provision shall so expressly provide. After the effective date of this act, all laws repealed or amended by this act must be taken and treated as remaining in full force and effect for the purpose of sustaining any pending or vested right, civil action, special proceeding, criminal prosecution, or appeal existing as of the effective date of this act, and for the enforcement of rights, duties, penalties, forfeitures, and liabilities as they stood under the repealed or amended laws.

SECTION 3. This act takes effect upon approval by the Governor.

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