

The House Committee on Rules offers the following substitute to SB 195:

A BILL TO BE ENTITLED

AN ACT

1 To amend Title 16 of the Official Code of Georgia Annotated, relating to crimes and
2 offenses, so as to provide that low THC oil, marijuana, and tetrahydrocannabinols do not
3 include certain federally approved products; to update and revise provisions; to revise
4 definitions; to provide for review of new treatment and delivery methods; to repeal a
5 provision relating to the role of Georgia universities and testing of specifications; to revise
6 provisions relating to dispensing; to provide for the issuance of dispensing licenses to
7 production licensees; to provide for recommendations and input from the oversight
8 committee; to authorize the commission to require a comparable surety in lieu of a bond; to
9 provide for coordination with the Georgia Composite Medical Board; to provide a method
10 for the issuance of subsequent production licenses; to provide for permits to colleges and
11 universities within this state to conduct medical research via a bona fide partnership with a
12 Class 1 or Class 2 production licensee; to remove epidiolex as a Schedule V controlled
13 substance; to provide for related matters; to provide for legislative findings; to provide for
14 application; to repeal conflicting laws; and for other purposes.

15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

S. B. 195 (SUB)

- 1 -

16 **SECTION 1.**

17 Title 16 of the Official Code of Georgia Annotated, relating to crimes and offenses, is
18 amended by revising Code Section 16-12-190, relating to the definition of low THC oil, as
19 follows:

20 "16-12-190.

21 As used in this article, the term 'low THC oil' means an oil that contains an amount of
22 cannabidiol and not more than 5 percent by weight of tetrahydrocannabinol,
23 tetrahydrocannabinolic acid, or a combination of tetrahydrocannabinol and
24 tetrahydrocannabinolic acid which does not contain plant material exhibiting the external
25 morphological features of the plant of the genus Cannabis. Such term shall not mean
26 products approved by the federal Food and Drug Administration under Section 505 of the
27 federal Food, Drug, and Cosmetic Act."

28 **SECTION 2.**

29 Said title is further amended by revising Code Section 16-12-200, relating to definitions, as
30 follows:

31 "16-12-200.

32 As used in this article, the term:

- 33 (1) 'Applicant' means a corporate entity applying for a license pursuant to this article.
34 (2) 'Available capital' means corporate assets that are available to fund business
35 operations in the event a license is awarded pursuant to Part 2 of this article.
36 (3) 'Class 1 production license' means a license to produce and manufacture low THC
37 oil and products issued pursuant to Code Section 16-12-211.
38 (4) 'Class 2 production license' means a license to produce and manufacture low THC
39 oil and products issued pursuant to Code Section 16-12-212.
40 (5) 'Commission' means the Georgia Access to Medical Cannabis Commission created
41 pursuant to Code Section 16-12-202.

- 42 (6) 'Designated universities' means the University of Georgia and Fort Valley State
43 University.
- 44 (7) 'Designated university license' means a license issued by the commission pursuant
45 to this article to a designated university to, separately or jointly, produce, manufacture,
46 and purchase low THC oil and products in accordance with this article.
- 47 (8) 'Dispense' means the sale or provision of low THC oil and products to registered
48 patients by a dispensing licensee.
- 49 (9) 'Dispensing license' means a specialty license issued by the State Board of Pharmacy
50 or the commission pursuant to Code Section 16-12-206 to dispense low THC oil and
51 products to registered patients.
- 52 (10) 'Grow' means cultivating and harvesting cannabis for use in producing low THC oil
53 and products.
- 54 (11) 'Licensee' means any business, or owner of such business, with a valid license
55 issued pursuant to this article.
- 56 (12) 'Low THC oil' shall have the same meaning as set forth in Code Section 16-12-190.
- 57 (13) 'Manufacture' means to process cannabis to produce low THC oil and products.
- 58 (14) 'Owner' means any person who directly or indirectly owns, actually or beneficially,
59 or controls 5 percent or greater of interests of the applicant or any licensee. In the event
60 that one person owns a beneficial right to interests and another person holds the voting
61 rights with respect to such interests, then both shall be considered an owner of such
62 interests.
- 63 (15) 'Product' means low THC oil delivered through an oil, tincture, transdermal patch,
64 lotion, or capsule, except as prohibited by Code Section 16-12-234, but not including any
65 food products infused with low THC oil, including, but not limited to, cookies, candies,
66 or edibles.
- 67 (16) 'Registered patient' means an individual who is legally authorized to possess and use
68 low THC oil and products pursuant to Code Section 31-2A-18.

69 (17) 'Tracking system' means a seed-to-sale tracking system to track marijuana that is
70 grown, processed, manufactured, transferred, stored, or disposed of and low THC oil and
71 products that is are transferred, stored, sold, dispensed, or disposed of pursuant to this
72 article."

73 SECTION 3.

74 Said title is further amended by revising Code Section 16-12-203, relating to powers, duties,
75 and responsibilities of the Georgia Access to Medical Cannabis Commission, as follows:
76 "16-12-203.

77 The commission shall have the following powers, duties, and responsibilities:

78 (1) To apply for, receive, and administer state funds appropriated to the commission,
79 private grants and donations, and other funds and donations. The commission's annual
80 distributions shall be capped and limited to funds received from the sources specified in
81 this paragraph. The commission shall ensure that its funds are not used as a supplement
82 or secondary payor to any other third-party payor;

83 (2) To execute a contract or contracts to purchase or obtain low THC oil, cannabis,
84 cannabinoids, or any other derivative, compound, or substantially similar products from
85 any available legal source and to provide logistics related thereto in accordance with this
86 article. Such contract or contracts may be executed with one or more qualified
87 corporations or with one or more governmental entities. Purchases made pursuant to this
88 paragraph shall not be subject to state purchasing laws contained in Article 3 of Chapter
89 5 of Title 50 or in other provisions of the Official Code of Georgia Annotated;

90 (3) To utilize funds appropriated to the commission as may be necessary to purchase and
91 transport low THC oil and products to the State of Georgia for use by registered patients;

92 (4) To develop, establish, maintain, and administer a low THC oil and products
93 distribution network to obtain and distribute low THC oil and products to registered

94 patients in this state and to coordinate the best use of facilities and resources to operate
95 such distribution network;

96 (5) To establish procedures for inspecting production facilities operated by designated
97 universities;

98 (6) To establish requirements and procedures to ensure quality control, security, and
99 oversight of low THC oil and products production in this state, including, but not limited
100 to, testing for purity and dosage levels and verification that product labels accurately
101 reflect product content;

102 (7) To provide for oversight of tracking systems;

103 (8) To coordinate and assist in the collection of data to evaluate the provision of low
104 THC oil and products in this state;

105 (9) To study the provision of low THC oil and products in this state to determine the best
106 practices and methods of providing such services, to determine what changes are needed
107 to improve the provision of low THC oil and products, and to report any proposed
108 legislative changes to the General Assembly each year;

109 (10) To coordinate its activities with the Department of Public Health;

110 (11) To employ an executive director and other staff and to establish duties and
111 responsibilities of such persons; ~~and~~

112 (12) To employ and manage consultants, as deemed necessary, in order to fulfill its
113 duties and responsibilities under this article; and

114 (13) To review new treatment and delivery methods for low THC oil and products that
115 may result from medical research and are not otherwise inconsistent with this article, and
116 recommend statutory changes to the General Assembly to authorize such treatment and
117 delivery methods and products."

118 **SECTION 4.**

119 Said title is further amended by revising Code Section 16-12-204, relating to the issuance of
120 nontransferable designated university licenses for production of low THC oil, research on
121 therapeutic use, reporting, collected information, and license revocation, as follows:

122 "16-12-204.

123 (a) ~~The~~ Upon request by the University System of Georgia, the commission shall issue
124 nontransferable designated university licenses for the production of low THC oil and
125 products. The licenses granted to designated universities pursuant to this Code section
126 shall be in addition to any licenses issued pursuant to Part 2 of this article. The designated
127 universities shall have the option to be licensed as a production facility, either separately
128 or jointly. The designated universities shall be authorized to contract with private entities
129 to fulfill the terms of the license, including contracting for the production of low THC oil
130 and products. All contracts shall be approved by the commission.

131 (b) Each designated university may conduct research on marijuana for therapeutic use if
132 such university is licensed as a production facility pursuant to this Code section. Effective
133 January 1, 2020, and annually thereafter, the designated universities shall submit a report
134 to the Senate Health and Human Services Committee and the House Committee on Health
135 and Human Services, to include data and outcomes of the research conducted pursuant to
136 this paragraph.

137 (c)(1) The commission shall collect the following information from each licensee:

138 (A) The amount of low THC oil and products produced by the licensee during each
139 calendar year;

140 (B) The details of all production costs, including but not limited to seed, fertilizer,
141 labor, advisory services, construction, and irrigation;

142 (C) The details of any items or services for which the licensee subcontracted and the
143 costs of each subcontractor directly or indirectly working for the licensee;

- 144 (D) The amount of therapeutic chemicals produced resulting from the low THC oil and
145 products manufactured pursuant to this article;
- 146 (E) The amounts paid each year to the licensee related to the licensee's production of
147 low THC oil and products manufactured pursuant to this article; and
- 148 (F) The amount of low THC oil and products distributed to each dispensing licensee
149 to dispense low THC oil and products in this state during each calendar year.
- 150 (2) The commission shall provide the information collected pursuant to this subsection
151 for the previous calendar year in the form of a written report to the Senate Health and
152 Human Services Committee and the House Committee on Health and Human Services
153 no later than February 1 of each year. The commission shall also make a copy of such
154 report available to the public by posting such report on the commission's website.
- 155 (d) The commission may revoke the license of a designated university if it is found by the
156 commission to have violated any of the requirements established pursuant to this article."

157 **SECTION 5.**

158 Said title is further amended by repealing and reserving Code Section 16-12-205, relating to
159 the role of Georgia universities and testing of specifications.

160 **SECTION 6.**

161 Said title is further amended by revising Code Section 16-12-206, relating to annual,
162 nontransferable dispensing licenses and adoption of rules, as follows:

163 "16-12-206.

164 (a)(1) ~~The~~ Upon request by a licensed pharmacy in this state, the State Board of
165 Pharmacy shall be authorized to develop an annual, nontransferable specialty dispensing
166 license for a an independent pharmacy with a registered office located within this state
167 to dispense low THC oil and products to registered patients. The State Board of
168 Pharmacy shall develop rules and regulations regarding dispensing pharmacies in this

169 state in accordance with the requirements contained in subsection (b) of this Code
170 section.

171 (2) The commission shall be authorized to develop an annual, nontransferable dispensing
172 license for other retail outlets operated by Class 1 and Class 2 production licensees to
173 dispense low THC oil and products to registered patients. The commission shall develop
174 rules and regulations regarding retail dispensing licensees in this state in accordance with
175 the requirements contained in subsection (b) of this Code section. No later than six
176 months after the award of a Class 1 or Class 2 production license, the commission shall
177 issue such production licensee a sufficient number of retail dispensing licenses to make
178 its products available to registered patients throughout the state. ~~The commission shall~~
179 ~~ensure that retail outlets are dispersed throughout the state for access by registered~~
180 ~~patients.~~ In setting the number of retail licensees per production licensee, the commission
181 shall consider the following factors:

182 (A) Provision of a sufficient number of licensees in each geographic area of the state
183 to provide for market competition on pricing, product diversity, and treatment
184 formulations between licensees;

185 (B) Enabling such licensees to provide home delivery of products to medically fragile
186 registered patients throughout the state; and

187 (C) Ensuring that any registered patient in Georgia is able to choose from more than
188 one retail outlet within a reasonable driving distance of his or her home.

189 (b) The State Board of Pharmacy and the commission shall ~~jointly~~ separately adopt rules
190 relating to the dispensing of low THC oil and products, with the State Board of Pharmacy
191 promulgating rules and regulations for pharmacies that dispense low THC oil and products
192 and the commission promulgating rules and regulations for other retail outlets that dispense
193 low THC oil and products ~~by pharmacies and retail dispensing licensees.~~ Such rules shall
194 include but not be limited to:

- 195 (1) Standards, procedures, and protocols for the effective use of low THC oil and
196 products as authorized by state law and related rules and regulations;
- 197 (2) Standards, procedures, and protocols for the dispensing of low THC oil and products
198 by a pharmacy with a dispensing license and by retail dispensing licensees and for the
199 utilization of a tracking system;
- 200 (3) Procedures and protocols to provide that no low THC oil or products may be sold to
201 or transferred to a location outside of this state;
- 202 (4) The establishment of standards, procedures, and protocols for determining the
203 amount of usable low THC oil and products that is necessary to constitute an adequate
204 supply for registered patients in this state to ensure uninterrupted availability for a period
205 of one month, including amounts for topical treatments;
- 206 (5) The establishment of standards, procedures, and protocols to ensure that all low THC
207 oil and products dispensed ~~is~~ are consistently pharmaceutical grade;
- 208 (6) The establishment of standards and procedures for the revocation, suspension, and
209 nonrenewal of dispensing licenses;
- 210 (7) The establishment of other licensing, renewal, and operational standards which are
211 deemed necessary by the State Board of Pharmacy and the commission;
- 212 (8) The establishment of standards and procedures for testing low THC oil and products
213 for levels of tetrahydrocannabinol or other testing parameters deemed appropriate by the
214 State Board of Pharmacy and the commission;
- 215 (9) The establishment of health, safety, and security requirements for pharmacies and
216 ~~other retail outlets~~ retail dispensing licensees dispensing low THC oil and products; and
- 217 (10) Requirements for the issuance of dispensing licenses to pharmacies and ~~other retail~~
218 ~~outlets~~ Class 1 and Class 2 production licensees."

219 **SECTION 7.**

220 Said title is further amended by revising Code Section 16-12-207, relating to establishment
221 of Medical Cannabis Commission Oversight Committee, membership, and inspections, as
222 follows:

223 "16-12-207.

224 (a) The General Assembly shall establish a Medical Cannabis Commission Oversight
225 Committee with two members appointed by the Lieutenant Governor and two members
226 appointed by the Speaker of the House of Representatives. Any member of the Medical
227 Cannabis Commission Oversight Committee shall be permitted to inspect any production
228 facility upon request and after reasonable notice is provided to the production facility.

229 (b) The commission shall promptly provide any document or information requested by the
230 oversight committee that is in its possession, provided that the commission shall not share
231 documents containing data identifying individual patients or physicians, information
232 marked as trade secrets by applicants or licensees, information that in the view of the
233 commission would interfere with an ongoing licensing applicant selection process, or
234 information that in the judgment of the commission would create law enforcement or
235 security risks to the citizens of Georgia.

236 (c) No later than August 1, 2021, the oversight committee shall recommend to the
237 commission a process and plan for providing accredited lab testing of products produced
238 by licensees and for labeling such products. The commission shall consider the
239 recommendations of the oversight committee in adopting policies, procedures, and
240 regulations regarding such testing and labeling.

241 (d) The oversight committee may regularly seek input from patients and physicians as to
242 the availability and quality of products produced pursuant to this chapter, and recommend
243 to the commission changes to policies, procedures, and regulations to improve availability
244 and quality. The commission shall consider such recommendations in adopting policies,
245 procedures, and regulations."

246

SECTION 8.

247 Said title is further amended by revising Code Section 16-12-210, relating to powers, duties,
248 and responsibilities of commission, no undue burden on patients, and remission of fees, as
249 follows:

250 "16-12-210.

251 (a) The commission shall have the following powers, duties, and responsibilities to
252 implement the provisions of this part:

253 (1) Issue licenses related to the production, growing, and manufacturing of low THC oil
254 and products in accordance with the provisions of this part;

255 (2) Coordinate with the Georgia Bureau of Investigation to implement security plans and
256 enforce the provisions of this part;

257 (3) Establish procedures for granting licenses, testing products, and inspecting facilities;

258 (4) Establish requirements and procedures to ensure quality control, security, and
259 oversight of all low THC oil and product production in this state, including, but not
260 limited to, conducting testing for purity and dosage levels and verifying that product
261 labels accurately reflect product content. The commission is authorized to contract with
262 private laboratories to perform the functions described in this paragraph;

263 (5) Establish procedures and ensure sufficient resources are available to receive and
264 resolve complaints from registered patients;

265 (6) Establish applications and forms necessary to carry out the provisions of this part;

266 (7) Establish criteria for applicants and licensees as necessary to ensure market stability
267 and adequate supply;

268 (8) Provide for the selection, implementation, and oversight of tracking systems;

269 (9) Provide oversight of licensee reporting, data collection, and analysis;

270 (10) Establish requirements and procedures for marketing and signage; and

271 (11) Promulgate rules and regulations and adopt policies and procedures necessary to
272 carry out the provisions of this part.

- 273 (b) The commission shall not promulgate any rules or regulations that would unduly
274 burden access to low THC oil or products by registered patients.
- 275 (c) All fees collected by the commission shall be remitted to the general fund of the state
276 treasury."

277 **SECTION 9.**

278 Said title is further amended by revising subsections (a), (b), and (g) of Code Section
279 16-12-211, relating to Class 1 production licenses, application fee, revocation, limitation on
280 ownership, and replacement licenses, as follows:

281 "(a) The commission may issue up to two Class 1 production licenses. A Class 1
282 production licensee shall be authorized to:

- 283 (1) Grow cannabis only in indoor facilities for use in producing low THC oil, limited to
284 100,000 square feet of cultivation space; and
- 285 (2) Manufacture low THC oil and products.

286 (b) Class 1 production licenses shall be issued to applicants selected by the commission
287 following a competitive application and review process in accordance with the
288 requirements set forth in this part. An applicant must be a Georgia corporation or entity
289 and shall maintain a bank account with a bank or credit union located in this state. An
290 applicant for a Class 1 production license shall submit an application on a form established
291 by the commission, together with the following information:

- 292 (1) Proof of available capital to make the investments needed to safely, securely, and
293 promptly perform all required functions of a licensee. Prior to issuance of a Class 1
294 production license, the applicant shall provide written documentation showing that on the
295 date of application and award such applicant holds at least \$2 million in available cash
296 reserves to invest in operations in this state;
- 297 (2) A written production plan detailing the production processes that, at a minimum,
298 includes details describing how the chain of custody will be maintained, documented, and

299 made available for review by the commission or the Georgia Bureau of Investigation.
300 Production processes shall include compliance with all production standards, laws, and
301 regulations needed to protect public safety and ensure product purity;

302 (3) A comprehensive security plan that ensures compliance with the applicable laws of
303 this state. At a minimum, a security plan shall include a 24 hours per day, seven days per
304 week interior and exterior video monitoring and intrusion detection monitoring system,
305 recording and video storage capabilities for all facilities, and licensed security personnel.
306 The entire premises of licensees shall be equipped with a centralized access control
307 system capable of generating detailed reports of access logs for a minimum of one year.
308 All videos, access logs, and any other monitoring data shall be available to the Georgia
309 Bureau of Investigation upon request. The commission is authorized to set requirements
310 for the minimum technology, resolution, and storage capacity of at least 45 days for the
311 video recording capabilities of licensees;

312 (4) A written plan detailing specific security measures to ensure secured transportation
313 and tracking of delivered products for intrafacility transportation;

314 (5) A detailed employment plan specifying the jobs and salaries of employees and
315 demonstrating the expected economic impact of proposed activities in Georgia;

316 (6) A written plan to ensure that no pesticides are used at any point in the production
317 process other than those certified organic by the Organic Materials Review Institute or
318 another similar standards organization;

319 (7) Detailed designs of all production facilities;

320 (8) Letters of support from one or more local governmental entities where the primary
321 facilities will be located;

322 (9) A demonstration of significant involvement in the business by one or more minority
323 business enterprises as defined in Code Section 50-5-131, either as co-owners of the
324 business or as significant suppliers of goods and services for the business. Such

325 applicants shall be encouraged to form business relationships with Georgia agricultural
326 businesses and military veterans;

327 (10) Documentation of the applicant's industry capabilities and management experience.
328 The commission shall consider the relevant industry experience and strength of the
329 applicant's management team and board of directors when considering its merits;

330 (11) Sufficient documentation to prove that a \$1.5 million cash bond or for any licenses
331 that are applied for on or after July 1, 2021, other comparable surety as determined by the
332 commission, payable to the State of Georgia or an irrevocable letter of credit can be
333 obtained within 30 days of license award. Failure to provide the requisite bond or letter
334 of credit within 30 days of the license award date shall be cause for revocation of the
335 license;

336 (12) At least one set of classifiable electronically recorded fingerprints submitted to the
337 commission in accordance with the fingerprint system of identification established by the
338 director of the Federal Bureau of Investigation. The commission shall transmit the
339 fingerprints to the Georgia Crime Information Center, which shall submit the fingerprints
340 to the Federal Bureau of Investigation for a search of bureau records and an appropriate
341 report and shall promptly conduct a search of state records based upon the fingerprints.
342 After receiving the report from the Georgia Crime Information Center and the Federal
343 Bureau of Investigation, the commission shall review the record for all owners, officers,
344 and employees of the applicant demonstrating a lack of convictions, except for felony
345 convictions that are greater than ten years old, are not drug related, or have been
346 expunged or pardoned; and

347 (13) A description of any efforts made by the applicant to create jobs or locate facilities
348 in tier one or tier two counties as defined in Code Section 48-7-40."

349 ~~"(g) In the event a license issued pursuant to this Code section is revoked by the~~
350 ~~commission or surrendered by the licensee, the commission shall be authorized to issue a~~

351 ~~replacement license through a competitive application and review process conducted in~~
352 ~~accordance with this Code section."~~

353 **SECTION 10.**

354 Said title is further amended by revising subsections (a), (b), and (g) of Code Section
355 16-12-212, relating to Class 2 production licenses, application fee, revocation, limitation on
356 ownership, and replacement licenses, as follows:

357 "(a) The commission may issue up to four Class 2 production licenses. A Class 2
358 production licensee shall be authorized to:

359 (1) Grow cannabis only in indoor facilities for use in producing low THC oil, limited to
360 50,000 square feet of cultivation space; and

361 (2) Manufacture low THC oil and products.

362 (b) Class 2 production licenses shall be issued to applicants selected by the commission
363 following a competitive application and review process in accordance with the
364 requirements set forth in this part. An applicant must be a Georgia corporation or entity
365 and shall maintain a bank account with a bank or credit union located in this state. An
366 applicant for a Class 2 production license shall submit an application on a form established
367 by the commission, together with the following information:

368 (1) Proof of available capital to make the investments needed to safely, securely, and
369 promptly perform all required functions of a licensee. Prior to issuance of a Class 2
370 production license, the applicant shall provide written documentation showing that on the
371 date of application and award such applicant holds at least \$1.25 million in available cash
372 reserves to invest in operations in this state;

373 (2) A written production plan detailing the production processes that, at a minimum,
374 includes details describing how the chain of custody will be maintained, documented, and
375 made available for review by the commission or the Georgia Bureau of Investigation.

376 Production processes shall include compliance with all production standards, laws, and
377 regulations needed to protect public safety and ensure product purity;

378 (3) A comprehensive security plan that ensures compliance with the applicable laws of
379 this state. At a minimum, a security plan shall include a 24 hours per day, seven days per
380 week interior and exterior video monitoring and intrusion detection monitoring system,
381 recording and video storage capabilities for all facilities, and licensed security personnel.
382 The entire premises of licensees shall be equipped with a centralized access control
383 system capable of generating detailed reports of access logs for a minimum of one year.
384 All videos, access logs, and any other monitoring data shall be available to the Georgia
385 Bureau of Investigation upon request. The commission is authorized to set requirements
386 for the minimum technology, resolution, and storage capacity of at least 45 days for the
387 video recording capabilities of licensees;

388 (4) A written plan detailing specific security measures to ensure secured transportation
389 and tracking of delivered products for intrafacility transportation;

390 (5) A detailed employment plan specifying the jobs and salaries of employees and
391 demonstrating the expected economic impact of proposed activities in Georgia;

392 (6) A written plan to ensure that no pesticides are used at any point in the production
393 process other than those certified organic by the Organic Materials Review Institute or
394 another similar standards organization;

395 (7) Detailed designs of all production facilities;

396 (8) Letters of support from one or more local governmental entities where the primary
397 facilities will be located;

398 (9) A demonstration of significant involvement in the business by one or more minority
399 business enterprises as defined in Code Section 50-5-131, either as co-owners of the
400 business or as significant suppliers of goods and services for the business. Such
401 applicants shall be encouraged to form business relationships with Georgia agricultural
402 businesses and military veterans;

403 (10) Documentation of the applicant's industry capabilities and management experience.
404 The commission shall consider the relevant industry experience and strength of the
405 applicant's management team and board of directors when considering its merits;

406 (11) Sufficient documentation to prove that a \$625,000.00 cash bond or for any licenses
407 that are applied for on or after July 1, 2021, other comparable surety as determined by the
408 commission, payable to the State of Georgia or an irrevocable letter of credit can be
409 obtained within 30 days of license award. Failure to provide the requisite bond or letter
410 of credit within 30 days of the license award date shall be cause for revocation of the
411 license;

412 (12) At least one set of classifiable electronically recorded fingerprints submitted to the
413 commission in accordance with the fingerprint system of identification established by the
414 director of the Federal Bureau of Investigation. The commission shall transmit the
415 fingerprints to the Georgia Crime Information Center, which shall submit the fingerprints
416 to the Federal Bureau of Investigation for a search of bureau records and an appropriate
417 report and shall promptly conduct a search of state records based upon the fingerprints.
418 After receiving the report from the Georgia Crime Information Center and the Federal
419 Bureau of Investigation, the commission shall review the record for all owners, officers,
420 and employees of the applicant demonstrating a lack of convictions, except for felony
421 convictions that are greater than ten years old, are not drug related, or have been
422 expunged or pardoned; and

423 (13) A description of any efforts made by the applicant to create jobs or locate facilities
424 in tier one or tier two counties as defined in Code Section 48-7-40."

425 ~~"(g) In the event a license issued pursuant to this Code section is revoked by the~~
426 ~~commission or surrendered by the licensee, the commission shall be authorized to issue a~~
427 ~~replacement license through a competitive application and review process conducted in~~
428 ~~accordance with this Code section."~~

429 **SECTION 11.**

430 Said title is further amended by revising Code Section 16-12-213, relating to tracking
431 systems required, as follows:

432 "16-12-213.

433 (a) The commission shall require that each Class 1 production licensee and Class 2
434 production licensee establish, maintain, and utilize, directly or by contract, a tracking
435 system. The commission shall approve one or more vendors to provide or operate tracking
436 systems.

437 (b) A tracking system shall have the functions and capabilities described in subsections (c)
438 and (d) of this Code section and shall be operated in compliance with the federal Health
439 Insurance Portability and Accountability Act of 1996, Public Law 104-191.

440 (c) The tracking system shall be hosted on a platform that allows for:

- 441 (1) Dynamic allocation of resources;
442 (2) Data redundancy; and
443 (3) Recovery from natural disaster within 12 hours.

444 (d) The tracking system shall be capable of:

- 445 (1) Tracking all plants, products, packages, and registered patients' purchase totals,
446 waste, transfers, conversions, sales, and returns that, if practicable, are linked to unique
447 identification numbers;
448 (2) Tracking lot and batch information throughout the entire chain of custody;
449 (3) Tracking all marijuana, ~~and~~ low THC oil, and products throughout the entire chain
450 of custody;
451 (4) Tracking plant, batch, and marijuana, ~~and~~ low THC oil, and product destruction;
452 (5) Tracking transportation of marijuana, ~~and~~ low THC oil, and products;
453 (6) Performing complete batch recall tracking that clearly identifies all of the following
454 details relating to the specific batch subject to the recall:
455 (A) Amount of low THC oil and products sold;

- 456 (B) Amount of low THC oil and products inventory that is finished and available for
457 sale;
- 458 (C) Amount of low THC oil and products that is in the process of transfer;
- 459 (D) Amount of low THC oil and products being processed into another form; and
- 460 (E) Amount of postharvest raw marijuana, such as marijuana that is in the drying,
461 trimming, or curing process;
- 462 (7) Reporting and tracking loss, theft, or diversion of marijuana, ~~or~~ low THC oil, or
463 products;
- 464 (8) Reporting and tracking all inventory discrepancies;
- 465 (9) Reporting and tracking adverse patient responses or dose related efficacy issues;
- 466 (10) Reporting and tracking all sales and refunds;
- 467 (11) Tracking purchase limits and flagging purchases in excess of authorized limits;
- 468 (12) Receiving electronically submitted information required to be reported under this
469 Code section;
- 470 (13) Receiving testing results electronically from a laboratory via a secured application
471 program interface into the tracking system and directly linking the testing results to each
472 applicable source batch and sample;
- 473 (14) Flagging test results that have characteristics indicating that they may have been
474 altered;
- 475 (15) Providing information to cross-check that low THC oil and product sales are made
476 to a registered patient, caregiver, or designated caregiver and that the low THC oil and
477 products received the required testing;
- 478 (16) Providing the commission with real-time access to information in the tracking
479 system; and
- 480 (17) Providing real-time information to the commission regarding key performance
481 indicators, including:
- 482 (A) Total low THC oil and products daily sales;

- 483 (B) Total marijuana plants in production;
484 (C) Total marijuana plants destroyed; and
485 (D) Total inventory adjustments.
- 486 (e) A Class 1 production licensee or Class 2 production licensee shall supply the relevant
487 tracking or testing information regarding each plant, product, package, batch, test, transfer,
488 conversion, sale, recall, or disposition of marijuana, or low THC oil, or products in or from
489 such licensee's possession or control on forms created by the commission."

490 SECTION 12.

491 Said title is further amended by revising Code Section 16-12-215, relating to limitation on
492 locations, advertising or marketing prohibited, and information available to physicians, as
493 follows:

494 "16-12-215.

495 (a) No licensee shall operate in any location, whether for cultivation, harvesting, and
496 processing of marijuana or for processing, manufacturing, packaging, or distributing low
497 THC oil or products, within a 3,000 foot radius of a covered entity, measured from
498 property boundary to property boundary. No dispensing licensee may operate in any
499 location within a 1,000 foot radius of a covered entity, measured from property boundary
500 to property boundary. Notwithstanding the provisions of this subsection, local
501 governments may, via use of existing zoning powers otherwise provided by law, allow
502 dispensing licensees only to locate in places other than those provided in this subsection
503 so long as such modification is needed to allow retail outlets to be established to service
504 registered patients residing within such local jurisdiction. As used in this subsection, the
505 term 'covered entity' means a public or private school; an early care and education program
506 as defined in Code Section 20-1A-2; or a church, synagogue, or other place of public
507 religious worship, in existence prior to the date of licensure of such licensee by the
508 commission or State Board of Pharmacy.

509 (b) No licensee shall advertise or market low THC oil or products to registered patients or
510 the public; provided, however, that a licensee shall be authorized to provide information
511 regarding its low THC oil and products directly to physicians."

512 **SECTION 13.**

513 Said title is further amended by revising Code Section 16-12-216, relating to Georgia Bureau
514 of Investigation ensuring compliance, as follows:

515 "16-12-216.

516 The Georgia Bureau of Investigation shall be responsible for ~~ensuring~~ investigating any
517 alleged criminal activities related to the activities of the licensees, and shall work with the
518 commission and the Georgia Composite Medical Board to develop procedures to ensure
519 that all activities of licensees are conducted in accordance with this part and the laws of this
520 state. In addition to other powers and duties, the Georgia Bureau of Investigation, the
521 commission, and the Georgia Composite Medical Board shall jointly establish procedures
522 to ensure that no activities conducted under this part result in the illegal or recreational use
523 of low THC oil, products, or manufacturing by-products and jointly establish any other
524 procedures necessary to carry out its duties and responsibilities pursuant to this part."

525 **SECTION 14.**

526 Said title is further amended by revising Code Section 16-12-217, relating to on-demand
527 access to facilities, provision of samples, testing, and secured transportation, as follows:

528 "16-12-217.

529 (a) All licensees shall provide on-demand access to facilities for inspection when requested
530 by the Georgia Bureau of Investigation, the commission, or the local law enforcement
531 agency for the jurisdiction in which the facility is located. The commission and the
532 Georgia Drugs and Narcotics Agency may each conduct one annual inspection. Upon
533 request by the Georgia Bureau of Investigation, the commission, the Georgia Drugs and

534 Narcotics Agency, or the local law enforcement agency for the jurisdiction in which the
535 facility is located, a licensee shall immediately provide product samples for the purposes
536 of laboratory testing.

537 (b) Each Class 1 production licensee and Class 2 production licensee shall contract with
538 a laboratory on the commission's approved list of independent laboratories, subject to any
539 requirements set by the commission, for purposes of testing low THC oil and products
540 manufactured by such licensees. Low THC oil and products shall be analyzed for potency,
541 foreign matter, microbial presence, pesticides, heavy metals, and residual solvents. The
542 commission shall establish limits for each item tested to verify that such low THC oil and
543 products meet ~~meets~~ the requirements of this part. The commission shall promulgate rules
544 and regulations governing the operations of laboratories for the testing of low THC oil and
545 products. The costs of laboratory testing shall be paid by the licensees. Each low THC oil
546 product shall be required to pass all requirements established by the commission before
547 being distributed. Products that do not pass the commission's requirements shall be
548 destroyed by the licensee and proof of such destruction shall be sent to the commission
549 upon request.

550 (c) This Code section shall not apply to intrafacility transportation of low THC oil or
551 products; provided, however, that licensees engaging in such transportation shall maintain
552 secured transportation and tracking of product delivery."

553 **SECTION 15.**

554 Said title is further amended by revising Code Section 16-12-221, relating to contracts
555 awarded through bids or proposals, minimum contract terms and renewals, subcontracting,
556 and giving or receiving things of value limited, as follows:

557 "16-12-221.

558 (a) The commission shall grant initial licenses under this part pursuant to contracts
559 awarded through competitive sealed bids or competitive sealed proposals as provided for

560 in Article 3 of Chapter 5 of Title 50. After issuance of two initial Class 1 production
561 licenses pursuant to Code Section 16-12-211 and four initial Class 2 production licenses
562 pursuant to Code Section 16-12-212, and in the event that the commission revokes a
563 Class 1 or Class 2 production license, a Class 1 or 2 production license is surrendered for
564 any reason, or the commission issues an additional Class 1 production license pursuant to
565 Code Section 16-12-214, the commission shall be authorized to issue any replacement
566 Class 1 or Class 2 production licenses in accordance with rules and regulations established
567 by the commission for such purpose. Such rules and regulations shall not otherwise
568 conflict with this article, and to the extent practicable, such rules and regulations shall
569 incorporate provisions and processes similar to Article 3 of Chapter 5 of Title 50.

570 (b) Any contract for a license awarded pursuant to this subsection shall not be for less than
571 five years and may contain provisions for automatic renewal.

572 (c) No licensee shall subcontract for services for the cultivation or processing in any way
573 of marijuana if the subcontractor, or any of the service providers in the chain of
574 subcontractors, is owned wholly or in excess of 5 percent by any state employee or member
575 of a state employee's immediate family, including but not limited to any legislator,
576 state-wide public official, or employee of a designated university. For purposes of this
577 subsection, the term 'immediate family member' means a spouse, child, sibling, or parent
578 or the spouse of a child, sibling, or parent.

579 (d) No licensee shall give or receive anything of value in connection with any contract,
580 memorandum of understanding, or cooperative endeavor agreement executed pursuant to
581 this part except the value that is expressed in the contract, memorandum of understanding,
582 or cooperative endeavor agreement."

583

SECTION 16.

584 Said title is further amended by revising Code Section 16-12-224, relating to limitation on
585 ownership by member or former member of commission, limitation on physician's
586 involvement, and identification when contributing to political campaigns, as follows:

587 "16-12-224.

588 (a) No current member of the commission, or former member of the commission for a
589 period of five years from the date such individual ceased to be a member, shall own,
590 operate, have a financial interest in, or be employed by a low THC oil or product
591 manufacturer or distributor, including any licensee under this part.

592 (b) No physician who, presently or during the period of such business relationship,
593 certifies individuals to the commission pursuant to Code Section 31-2A-18 for the use of
594 low THC oil and products to treat certain conditions shall own, operate, have a financial
595 interest in, or be employed by a low THC oil or product manufacturer or distributor,
596 including any licensee under this part. This subsection shall not prohibit a physician from
597 furnishing a registered patient or his or her caregiver, upon request, with the names of low
598 THC oil and product manufacturers or distributors. Any physician violating this Code
599 section shall be guilty of a misdemeanor.

600 (c) A licensee that makes a campaign contribution pursuant to Article 2 of Chapter 5 of
601 Title 21 shall identify itself as a licensee under this part to the recipient of such campaign
602 contribution."

603

SECTION 17.

604 Said title is further amended by revising Code Section 16-12-225, relating to criminal
605 offenses and penalty, as follows:

606 "16-12-225.

607 (a) A licensee or licensee's employee who knowingly or willfully encourages, causes,
608 abets, connives, conspires, or aids in the endangerment of patients, trafficking of low THC

609 oil, products, or its manufacturing by-products, or criminal distribution of raw materials
610 and agricultural inputs, including but not limited to seeds, under this part shall be guilty of
611 a felony and, upon conviction thereof, be punished by a fine not to exceed \$100,000.00,
612 imprisonment for not less than five nor more than ten years, or both.

613 (b) Any person whose acts or omissions of gross, willful, or wanton negligence contribute
614 to or cause the endangerment of patients, trafficking of low THC oil, products, or its
615 manufacturing by-products, or criminal distribution of raw materials and agricultural
616 inputs, including but not limited to seeds, under this part shall be guilty of a misdemeanor
617 of a high and aggravated nature and, upon conviction thereof, be punished by a fine of up
618 to \$5,000.00, imprisonment for up to 12 months, or both.

619 (c) Failure to comply with all other provisions of this part shall be punishable by a fine of
620 up to \$500.00 for the first offense. All persons convicted of a second or subsequent offense
621 shall be guilty of a misdemeanor and, upon conviction thereof, be punished by a fine of up
622 to \$1,000.00, imprisonment for up to six months, or both, for each violation.

623 (d) The provisions of this Code section shall not preclude prosecution and punishment for
624 the commission of any offense otherwise provided by law."

625 **SECTION 18.**

626 Said title is further amended by revising Code Section 16-12-226, relating to applicable sales
627 and use tax, as follows:

628 "16-12-226.

629 The sale of low THC oil and products authorized by this article shall be subject to all
630 applicable sales and use taxes."

631 **SECTION 19.**

632 Said title is further amended by revising Code Section 16-12-230, relating to requirements
633 for dispensing low THC oil, as follows:

634 "16-12-230.

635 (a) Low THC oil and products shall only be dispensed to registered patients in this state
636 by a dispensing licensee or directly from the commission pursuant to this article.

637 (b) A pharmacist who dispenses low THC oil or products shall seek and review
638 information on a registered patient from the prescription drug monitoring program data
639 base established pursuant to Code Section 16-13-57 prior to dispensing low THC oil or
640 products to the registered patient."

641 **SECTION 20.**

642 Said title is further amended by revising Code Section 16-12-231, relating to exemptions
643 from arrest, prosecutions, or penalty, as follows:

644 "16-12-231.

645 The following persons and entities, when acting in accordance with the provisions of this
646 article, shall not be subject to arrest, prosecution, or any civil or administrative penalty,
647 including a civil penalty or disciplinary action by a professional licensing board, or be
648 denied any right or privilege, for the medical use, prescription, administration,
649 manufacture, ~~or~~ distribution, or transport of low THC oil or products:

650 (1) A registered patient who is in possession of an amount of low THC oil or products
651 authorized under Code Section 16-12-191 or such patient's caregiver, parent, or guardian;

652 (2) A physician who certifies a patient to the Department of Public Health as being
653 diagnosed with a condition or in a hospice program and authorized to use low THC oil
654 or products for treatment pursuant to Code Section 31-2A-18;

655 (3) A pharmacist or pharmacy that dispenses or provides low THC oil or products to a
656 registered patient;

657 (4) The commission or its employees or contractors associated with the production of
658 low THC oil or products in accordance with this article; ~~and~~

659 (5) A designated university, an employee of a designated university, or any other person
660 associated with the production of low THC oil or products in accordance with this article;
661 and
662 (6) An employee, contractor, or agent of a licensee with proper identification associated
663 with the production, manufacture, distribution, transport, or sale of low THC oil or
664 products in accordance with this article."

665 **SECTION 21.**

666 Said title is further amended by revising Code Section 16-12-233, relating to contracts not
667 against public policy, as follows:

668 "16-12-233.

669 It is the intent of the General Assembly that contracts related to the cultivation, harvesting,
670 manufacturing, production, and distribution of cannabis solely for the manufacture of low
671 THC oil or products pursuant to this article are not deemed contracts against public policy
672 pursuant to Code Section 13-8-2 and shall be enforceable. No such contract shall be
673 unenforceable on the basis that activities related to cannabis are prohibited by federal law."

674 **SECTION 22.**

675 Said title is further amended by revising Code Section 16-12-234, relating to unlawful ways
676 to ingest low THC oil, as follows:

677 "16-12-234.

678 It shall be unlawful to ingest low THC oil or products in a manner that employs a heating
679 element, power source, electronic circuit, or other electronic, chemical, or mechanical
680 means, regardless of shape or size, that can be used to produce vapor in a solution or other
681 form, including but not limited to any electronic cigarette, electronic cigar, electronic
682 cigarillo, electronic pipe, or similar product or device and any vapor cartridge or other
683 container of low THC oil or product in a solution or other form that is intended to be used

684 with or in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or
685 similar product or device."

686 **SECTION 23.**

687 Said title is further amended by revising Code Section 16-12-235, relating to research in
688 compliance with federal regulations and other research permitted, as follows:

689 "16-12-235.

690 (a) Notwithstanding anything to the contrary within this article, nothing herein shall be
691 construed to prohibit the conduct of research involving low THC oil, or cannabis, or
692 products that is conducted in full accordance with federal regulations, including the
693 regulations of the United States Food and Drug Administration and United States Drug
694 Enforcement Administration by any university or nonprofit institution of higher education
695 within the State of Georgia, provided that:

696 (1) The university researchers conducting the research have the appropriate federal and
697 state permits to acquire and use low THC oil, or cannabis, or products in clinical or
698 preclinical research; and

699 (2) The substances used for such research are obtained from licensed pharmaceutical
700 companies or through channels established by the United States government, such as the
701 National Institute on Drug Abuse.

702 (b) Nothing in this article shall be construed to prohibit research otherwise permitted by
703 Chapter 51 of Title 31."

704 **SECTION 24.**

705 Said title is further amended by adding a new Code section to read as follows:

706 "16-12-235.1.

707 (a) The commission shall issue permits for colleges and universities located within the
708 State of Georgia to possess limited quantities of low THC oil and products for purposes of

709 conducting medical research via a bona fide partnership with a Class 1 or Class 2 licensee.
710 Such permits shall be for a Georgia based college or university that:
711 (1) Is a member of the University System of Georgia, or an independent college or
712 university accredited by a higher education accrediting body with comparable academic
713 standards to those utilized by member institutions of the University System of Georgia;
714 (2) Has a campus that has been located at a physical location within the state for at
715 least 20 years, and a full-time enrollment of at least 200 Georgia students during the past
716 year;
717 (3) Is proposing a research partnership that is, in the sole judgment of the commission,
718 fully compliant with the laws of this article; and
719 (4) Is proposing a research partnership that has been approved by the primary
720 institutional review board located at such institution.
721 (b) Any such permit issued pursuant to this Code section shall specify:
722 (1) The individuals at the institution authorized to work with low THC oil;
723 (2) The primary objectives of the research study;
724 (3) The physical location on campus where the low THC oil will be stored, and security
725 measures in place to prevent unauthorized use of such low THC oil;
726 (4) The method of transporting low THC oil from a licensed production facility to the
727 campus;
728 (5) The method of returning low THC oil to a licensed production facility at the
729 conclusion of the study; and
730 (6) The beginning and end date of the study.
731 (c) Any institution which receives a permit pursuant to this Code section shall provide
732 on-demand access to facilities for inspection when requested by the Georgia Bureau of
733 Investigation, the commission, or the local law enforcement agency for the jurisdiction in
734 which the facility is located."

735 **SECTION 25.**

736 Said title is further amended in Code Section 16-13-21, relating to definitions relative to
737 "Georgia Controlled Substances Act," by revising paragraph (16) as follows:

738 "(16) 'Marijuana' means all parts of the plant of the genus Cannabis, whether growing or
739 not, the seeds thereof, the resin extracted from any part of such plant, and every
740 compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds,
741 or resin, but shall not include samples as described in subparagraph (P) of paragraph (3)
742 of Code Section 16-13-25; shall not include the completely defoliated mature stalks of
743 such plant, fiber produced from such stalks, oil, or cake, or the completely sterilized
744 samples of seeds of the plant which are incapable of germination; and shall not include
745 hemp or hemp products as such terms are defined in Code Section 2-23-3. Such term
746 shall not include products approved by the federal Food and Drug Administration under
747 Section 505 of the federal Food, Drug, and Cosmetic Act."

748 **SECTION 26.**

749 Said title is further amended in Code Section 16-13-25, relating to Schedule I controlled
750 substances, by revising subparagraph (3)(P) as follows:

751 "(P) Tetrahydrocannabinol, tetrahydrocannabinolic acid, or a combination of
752 tetrahydrocannabinol and tetrahydrocannabinolic acid which does not contain plant
753 material exhibiting the external morphological features of the plant of the genus
754 Cannabis, but not including such substance when found in hemp or hemp products as
755 such terms are defined in Code Section 2-23-3. Tetrahydrocannabinols do not include
756 products approved by the federal Food and Drug Administration under Section 505 of
757 the federal Food, Drug, and Cosmetic Act;"

758 **SECTION 27.**

759 Said title is further amended in Code Section 16-13-29, relating to Schedule V controlled
760 substances, by repealing paragraph (1.5).

761 **SECTION 28.**

762 Nothing in this Act shall be deemed to change, amend, or alter any criteria for applications
763 for a Class 1 or Class 2 production license submitted to the Georgia Access to Medical
764 Cannabis Commission on or prior to January 27, 2021.

765 **SECTION 29.**

766 All laws and parts of laws in conflict with this Act are repealed.