

HOUSE BILL 1587

By Camper

AN ACT to amend Tennessee Code Annotated, Title 29, Chapter 38; Title 39; Title 40; Title 53, Chapter 11; Title 67; Title 68 and Title 71, relative to marijuana.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 39-17-418(a), is amended by adding the language "other than marijuana" immediately after the language "knowingly possess or casually exchange a controlled substance".

SECTION 2. Tennessee Code Annotated, Section 39-17-418(b), is amended by deleting the subsection in its entirety and substituting instead the following:

(b)

(1) Except as provided in § 39-17-441, it is an offense for a person to distribute marijuana in an amount that is one-half ($\frac{1}{2}$) ounce (14.175 grams) or less.

(2) It is an offense for a person to distribute marijuana to a minor.

SECTION 3. Tennessee Code Annotated, Section 39-17-418(d), is amended by adding the language ", or a distribution of marijuana," immediately before the language "to a minor from an adult".

SECTION 4. Tennessee Code Annotated, Section 39-17-417(a), is amended by deleting the language "It is an offense for a defendant to knowingly" and substituting instead the language "Except as provided in § 39-17-441, it is an offense for a defendant to knowingly".

SECTION 5. Tennessee Code Annotated, Section 39-17-417(g)(1), is amended by deleting the language "containing not less than one-half ($\frac{1}{2}$) ounce (14.175 grams) nor more than ten pounds (10 lbs.) (4535 grams) of marijuana" and substituting instead the language

"containing more than one-half (½) ounce (14.175 grams) but ten pounds (10 lbs.) (4535 grams) or less of marijuana".

SECTION 6. Tennessee Code Annotated, Section 39-17-419, is amended by deleting the first sentence of the section and substituting instead the following:

It may be inferred from the amount of a controlled substance or substances possessed by an offender, along with other relevant facts surrounding the arrest, that the controlled substance or substances were possessed with the purpose of selling or otherwise dispensing; except that such inference with respect to marijuana applies only if the amount possessed is more than one (1) ounce (28.35 grams).

SECTION 7. Tennessee Code Annotated, Title 39, Chapter 17, Part 4, is amended by adding the following as a new section:

39-17-441.

(a) Notwithstanding § 39-17-417, a person or entity is authorized to grow, process, manufacture, deliver, sell, or possess marijuana with the intent to grow, process, manufacture, deliver, or sell marijuana in this state in accordance with this section.

(b)

(1) The growing, processing, manufacture, delivery, or sale of marijuana is only authorized to be conducted by persons or entities who:

- (A) Have registered as a business under § 67-4-706;
- (B) Have acquired a license pursuant to § 67-4-723; and
- (C) Are in compliance with the remaining provisions of the

Business Tax Act, compiled in title 67, chapter 4, part 7.

(2) The growing, processing, manufacture, or sale of marijuana is only authorized to be conducted at locations in compliance with local zoning regulations.

(c) Marijuana is only authorized to be sold to consumers:

- (1) Who are twenty-one (21) years of age or older;
- (2) From a retail location; and
- (3) In a quantity not to exceed one-half ($\frac{1}{2}$) ounce (14.175 grams).

(d)

(1) A person who knowingly violates subsection (b) or subdivision (c)(3) commits an offense punishable under § 39-17-417 or § 39-17-418.

(2) A person who knowingly violates subdivision (c)(1) or (c)(2) commits a Class A misdemeanor, unless the sale of marijuana is to a minor in which event the person commits an offense punishable under § 39-17-417 or § 39-17-418.

SECTION 8. Tennessee Code Annotated, Title 67, Chapter 6, Part 2, is amended by adding the following as a new section:

67-6-218. Notwithstanding this part:

(1) For the exercise of the privilege of engaging in the business of selling marijuana at retail in this state in accordance with § 39-17-441, a tax is levied on the sales price of marijuana when sold at retail in this state. The tax is to be computed on gross sales for the purpose of remitting the amount of tax due the state and is to include each and every retail sale. The tax shall be levied at the rate of twelve percent (12%); and

(2) The commissioner shall deposit promptly to the credit of the state treasurer in state depositories all moneys received by the commissioner under this section, and all such moneys shall be earmarked and allocated as follows:

(A) Twenty percent (20%) of such moneys shall be earmarked and allocated specifically and exclusively to the general fund;

(B) Fifty percent (50%) of such moneys shall be earmarked and allocated specifically and exclusively to educational purposes; and

(C) Thirty percent (30%) of such moneys shall be earmarked and allocated to the state general fund and credited to a special infrastructure account to be used exclusively to fund projects identified in the annual public infrastructure needs inventory compiled by the Tennessee advisory commission on intergovernmental relations.

SECTION 9. This act takes effect July 1, 2021, the public welfare requiring it.