**South Carolina General Assembly**

122nd Session, 2017-2018

**A37, R59, H3559**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Pitts, Ott, Putnam, Gagnon, Atkinson, Dillard, Martin, West, Hill, Bedingfield, Gilliard, Kirby, Davis, King, Whipper and Govan

Document Path: l:\council\bills\gt\5254cm17.docx

Companion/Similar bill(s): 468

Introduced in the House on January 24, 2017

Introduced in the Senate on April 5, 2017

Last Amended on May 2, 2017

Passed by the General Assembly on May 4, 2017

Governor's Action: May 10, 2017, Signed

Summary: Industrial hemp cultivation

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 1/24/2017 House Introduced and read first time ([House Journal‑page 26](file:///h%3A%5Chj%5C20170124.docx))

 1/24/2017 House Referred to Committee on **Agriculture, Natural Resources and Environmental Affairs** ([House Journal‑page 26](file:///h%3A%5Chj%5C20170124.docx))

 1/25/2017 House Member(s) request name added as sponsor: Putnam, Gagnon

 1/26/2017 House Member(s) request name added as sponsor: Atkinson, Davis, Dillard

 1/31/2017 House Member(s) request name added as sponsor: Martin

 2/1/2017 House Member(s) request name added as sponsor: West

 2/2/2017 House Member(s) request name added as sponsor: Hill, Bedingfield

 2/22/2017 House Member(s) request name added as sponsor: Gilliard

 3/23/2017 House Member(s) request name added as sponsor: Kirby

 3/23/2017 House Committee report: Favorable with amendment **Agriculture, Natural Resources and Environmental Affairs** ([House Journal‑page 4](file:///h%3A%5Chj%5C20170323.docx))

 3/28/2017 House Member(s) request name added as sponsor: King

 3/29/2017 House Member(s) request name added as sponsor: Whipper

 3/29/2017 House Amended ([House Journal‑page 59](file:///h%3A%5Chj%5C20170329.docx))

 3/29/2017 House Requests for debate‑Rep(s). Tallon, Burns, Loftis, GR Smith, Long, Pitts, Ryhal, Hewitt, West ([House Journal‑page 59](file:///h%3A%5Chj%5C20170329.docx))

 3/29/2017 House Member(s) request name added as sponsor: Govan

 4/4/2017 House Read second time ([House Journal‑page 47](file:///h%3A%5Chj%5C20170404.docx))

 4/4/2017 House Roll call Yeas‑105 Nays‑0 ([House Journal‑page 50](file:///h%3A%5Chj%5C20170404.docx))

 4/5/2017 Scrivener's error corrected

 4/5/2017 House Read third time and sent to Senate ([House Journal‑page 78](file:///h%3A%5Chj%5C20170405.docx))

 4/5/2017 Senate Introduced and read first time ([Senate Journal‑page 8](file:///h%3A%5Csj%5C20170405.docx))

 4/5/2017 Senate Referred to Committee on **Agriculture and Natural Resources** ([Senate Journal‑page 8](file:///h%3A%5Csj%5C20170405.docx))

 4/20/2017 Senate Committee report: Favorable with amendment **Agriculture and Natural Resources** ([Senate Journal‑page 10](file:///h%3A%5Csj%5C20170420.docx))

 4/21/2017 Scrivener's error corrected

 5/2/2017 Senate Committee Amendment Adopted ([Senate Journal‑page 31](file:///h%3A%5Csj%5C20170502.docx))

 5/2/2017 Senate Read second time ([Senate Journal‑page 31](file:///h%3A%5Csj%5C20170502.docx))

 5/2/2017 Senate Roll call Ayes‑35 Nays‑1 ([Senate Journal‑page 31](file:///h%3A%5Csj%5C20170502.docx))

 5/3/2017 Scrivener's error corrected

 5/3/2017 Senate Read third time and returned to House with amendments ([Senate Journal‑page 26](file:///h%3A%5Csj%5C20170503.docx))

 5/4/2017 House Concurred in Senate amendment and enrolled ([House Journal‑page 56](file:///h%3A%5Chj%5C20170504.docx))

 5/9/2017 Ratified R 59

 5/10/2017 Signed By Governor

 5/17/2017 Effective date 05/10/17

 5/18/2017 Act No. 37

View the latest [legislative information](http://www.scstatehouse.gov/billsearch.php?billnumbers=3559&session=122&summary=B) at the website

**VERSIONS OF THIS BILL**

[1/24/2017](file:///p%3A%5Cpprever%5C2017-18%5C3559_20170124.docx)

[3/23/2017](file:///p%3A%5Cpprever%5C2017-18%5C3559_20170323.docx)

[3/29/2017](file:///p%3A%5Cpprever%5C2017-18%5C3559_20170329.docx)

[4/4/2017](file:///p%3A%5Cpprever%5C2017-18%5C3559_20170404.docx)

[4/5/2017](file:///p%3A%5Cpprever%5C2017-18%5C3559_20170405.docx)

[4/20/2017](file:///p%3A%5Cpprever%5C2017-18%5C3559_20170420.docx)

[4/21/2017](file:///p%3A%5Cpprever%5C2017-18%5C3559_20170421.docx)

[5/2/2017](file:///p%3A%5Cpprever%5C2017-18%5C3559_20170502.docx)

[5/3/2017](file:///p%3A%5Cpprever%5C2017-18%5C3559_20170503.docx)

(A37, R59, H3559)

**AN ACT TO AMEND CHAPTER 55, TITLE 46, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE CULTIVATION OF INDUSTRIAL HEMP, SO AS TO REVISE THE DEFINITIONS OF TERMS CONTAINED IN THIS CHAPTER, TO PROVIDE DEFINITIONS FOR ADDITIONAL TERMS, TO CREATE THE SOUTH CAROLINA INDUSTRIAL HEMP PROGRAM, TO PROVIDE THAT INDUSTRIAL HEMP IS AN AGRICULTURAL CROP UPON WHICH CERTAIN INSTITUTIONS OF HIGHER EDUCATION MAY CONDUCT RESEARCH, TO PROVIDE THAT THE DEPARTMENT OF AGRICULTURE MAY ISSUE PERMITS TO RESIDENTS OF THIS STATE TO GROW INDUSTRIAL HEMP UNDER CERTAIN CIRCUMSTANCES, TO ESTABLISH A PROCESS TO APPLY AND BE ISSUED A PERMIT, TO PROVIDE THAT INDUSTRIAL HEMP OR HEMP PRODUCTS MAY NOT BE CONSIDERED AN ADULTERANT, TO PROVIDE PROVISIONS THAT REGULATE THE GROWING, SELLING, AND IMPORTATION OF INDUSTRIAL HEMP AND HEMP SEED, TO DELETE THE PROVISION THAT EXCLUDES INDUSTRIAL HEMP FROM THE DEFINITION OF MARIJUANA, TO PROVIDE THAT A PERSON ENGAGED IN ACTIVITIES COVERED BY THE INDUSTRIAL HEMP PROGRAM ARE NOT SUBJECT TO ANY STATE CIVIL OR CRIMINAL ACTIONS, TO REVISE THE PROVISION THAT SPECIFIES THAT CERTAIN CONDUCT REGARDING THE MANUFACTURING, DISTRIBUTION, PURCHASE, AND OTHER ACTIVITIES RELATING TO DISGUISING MARIJUANA TO MAKE IT APPEAR TO BE INDUSTRIAL HEMP IS ILLEGAL, TO PROVIDE FOR LABORATORY TESTING OF INDUSTRIAL HEMP, AND TO PROVIDE A PENALTY FOR DISGUISING MARIJUANA TO APPEAR TO BE INDUSTRIAL HEMP.**

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

**Industrial hemp cultivation**

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

 (2) ‘Industrial hemp’ means the plant Cannabis sativa L. and any part of the plant, whether growing or not, with a delta‑9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dried weight basis.

 (3) ‘Delta‑9 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.

 (4) ‘Human consumption’ means ingestion or topical application to the skin or hair.

 Section 46‑55‑20. (1) The South Carolina Industrial Hemp Program is created.

 (2) Industrial hemp is an agricultural crop. Any public institution of higher education offering a four‑year baccalaureate degree or private institution of higher education accredited by the Southern Association of Colleges and Schools offering a four‑year baccalaureate degree throughout the State may conduct research, pursuant to Public Law 113‑79, contingent upon funding. The institution may conduct research or pilot programs as an agricultural commodity and may work with growers located in South Carolina. Once the institution of higher education engages in research on industrial hemp, the institution shall work in conjunction with the Department of Agriculture to identify solutions for applications, applicants, and new market opportunities for industrial hemp growers. The purchaser or manufacturer will be included under the provisions of this chapter.

 (3) The Department of Agriculture will allow up to twenty permits for the first year and up to forty permits for the second year and third year, and every year after, the Department of Agriculture, along with the institutions of higher learning, will evaluate the program to determine the number of permits to be issued. The permits are to be given to South Carolina residents for the purposes of a pilot program. Each permittee is permitted to grow industrial hemp on up to twenty acres of land the first year and up to forty acres the second year and third year, and every year after, the Department of Agriculture, along with the institutions of higher learning, will evaluate the program to determine the amount of acreage permitted. When applying for a permit, each applicant, at a minimum, must submit to the department global positioning system coordinates of where the industrial hemp will be grown and must submit any and all information, including, but not limited to, fingerprints, and the appropriate fees, required by the South Carolina Law Enforcement Division (SLED) to perform a fingerprint‑based state criminal records check and for the Federal Bureau of Investigation to perform a national fingerprint‑based criminal records check.

 (4) The department shall require a state criminal records check, supported by fingerprints, by SLED and a national criminal records check, supported by fingerprints, by the Federal Bureau of Investigation. The results of these criminal records checks must be reported to the department. SLED is authorized to retain the fingerprints for certification purposes and for notification of the department regarding criminal charges. No person who has been convicted of any felony, or any person convicted of any drug‑related misdemeanor or violation in the previous ten years from the date of the application, shall be eligible to obtain a permit.

 (5) Before the department will issue a permit to the applicant, the applicant must have proof of a signed purchaser with a contract.

 (6) Industrial hemp is an agricultural crop subject to regulations by the Department of Agriculture.

 (7) To grow industrial hemp, a person must be registered with the department as a grower.

 (8) To register, an applicant, under this section, must submit to the department, in a manner prescribed by the department, the following information:

 (a) the name and address of the applicant;

 (b) the name and address of the industrial hemp operation of the applicant;

 (c) the Global Positioning System coordinates of the land on which the industrial hemp will be planted, grown, cultivated, or processed;

 (d) any other information required by the department through regulation; and

 (e) written consent allowing SLED and the Department of Agriculture to enter onto all premises where industrial hemp is cultivated, processed, or stored for the purpose of conducting physical inspections or ensuring compliance with the Industrial Hemp Pilot Program.

 (9) A grower may renew a registration under this section in the manner prescribed by the department.

 (10) The department may charge growers application, registration, and renewal of registration fees reasonably calculated by the department to pay the cost of administering the South Carolina Industrial Hemp Program, not to exceed one thousand dollars annually per registrant. Monies from fees collected under this subsection shall be continuously appropriated to the department for purposes of carrying out the duties of the South Carolina Industrial Hemp Program under this section.

 (11) It is lawful for a permitted 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.

 (12) Growers or processors may retain any industrial hemp that tests between three‑tenths of one percent to one percent delta‑9 tetrahydrocannabinol on a dry weight basis and recondition the hemp product by grinding it with the stem and stalk. Industrial hemp products must not exceed three‑tenths of one percent delta‑9 tetrahydrocannabinol.

 (13) For the purposes of Chapter 25, Title 39, industrial hemp or industrial hemp products may not be considered to be an adulterant.

 Section 46‑55‑30. (1) A grower may use any propagation method, including, but not limited to, planting seeds or starts or using clones or cuttings, to produce industrial hemp. Nothing in this article limits or precludes a grower from propagating or cultivating noncertified industrial hemp seed.

 (2) Notwithstanding any other provision of law, except as subject to federal law, a person engaged in cultivating, processing, selling, transporting, possessing, or otherwise distributing industrial hemp, or selling industrial hemp products from industrial hemp, grown, processed, or produced pursuant to this chapter, is not subject to any civil or criminal actions under South Carolina law for engaging in these activities. Nothing in this chapter limits or precludes the importation or exportation of industrial hemp or industrial hemp products. The provisions of the chapter create a three‑year pilot program as contained in 7 U.S.C. Section 5940.

 Section 46‑55‑40. (A) For purposes of this section:

 (1) ‘Independent testing laboratory’ means any facility, entity, or site that offers or performs tests of industrial hemp or industrial hemp‑based products that has been accredited by an independent accreditation body.

 (2) ‘Accreditation body’ means an impartial organization that provides accreditation to ISO/IEC 17025 requirements and is a signatory to the International Laboratory Accreditation Corporation Mutual Recognition Arrangement for Testing.

 (3) ‘Scope of accreditation’ means a document issued by the accreditation body which describes the methodologies, range, and parameters for testing for which the accreditation has been granted.

 (B) Independent testing laboratories may test industrial hemp and industrial hemp products produced or processed by a grower or processor.

 (C) All testing performed to meet regulatory requirements shall be included in an independent testing laboratory’s scope of accreditation.

 (D) An independent testing laboratory shall demonstrate the ability to accurately quantitate individual cannabinoids in both their acidic and neutral forms down to 0.05 percent by weight, including, but not limited to, delta‑9 THC, delta‑9 THCA, cannabidiol (CBD), and CBDA.

 (E) Testing is required by an International Organization for Standardization (ISO) Certified Laboratory Facility as approved by an accredited body. The test results must be retained by the grower or processor for at least three years and be made readily available to any state law enforcement agency upon request. Any industrial hemp sample testing at one percent or above delta‑9 tetrahydrocannabinol shall be destroyed in a controlled environment with law enforcement present.

 (F) Registered growers shall have a minimum of four random samples per grow tested for delta‑9 tetrahydrocannabinol concentrations not more than thirty days prior to harvest. If the grower has planted different varieties, at least one sample from each variety must be tested for delta‑9 tetrahydrocannabinol concentrations.

 (G) Industrial hemp or industrial hemp products, intended by a processor for sale for human consumption, shall be tested by an independent testing laboratory to confirm that products are fit for human consumption and meet United States Food Industry standards for food products. Testing shall confirm safe levels of potential contaminants, including, but not limited to, pesticides, heavy metals, residual solvents, and microbiological contaminants.

 (H) All test results and corresponding product batch numbers shall be retained by the registered processor for at least three years.

 Section 46‑55‑50. Industrial hemp is excluded from the definition of marijuana in Section 44‑53‑110.

 Section 46‑55‑60. An individual who manufactures, distributes, dispenses, delivers, purchases, aids, abets, attempts, or conspires to manufacture, distribute, dispense, deliver, or purchase, or possesses with the intent to manufacture, distribute, dispense, deliver, or purchase marijuana, 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.”

**Time effective**

SECTION 2. This act takes effect upon approval by the Governor.

Ratified the 9th day of May, 2017.

Approved the 10th day of May, 2017.

\_\_\_\_\_\_\_\_\_\_