**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 3 TO CHAPTER 55, TITLE 46 SO AS TO AUTHORIZE THE DISTRIBUTION OF LOW THC HEMP EXTRACT UNDER CERTAIN CIRCUMSTANCES, TO DEFINE NECESSARY TERMS, TO PROVIDE A PENALTY, AND TO DESIGNATE THE EXISTING SECTIONS OF CHAPTER 55, TITLE 46 AS ARTICLE 1, ENTITLED “INDUSTRIAL HEMP”.

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

SECTION 1. Chapter 55, Title 46 is amended by adding:

“Article 3

Low THC Hemp Extract

Section 46‑55‑300. For the purposes of this article, the term:

(1) ‘Certificate of analysis’ means a certificate from an independent testing laboratory describing the results of a test of a sample of low THC hemp extract.

(2) ‘Delta‑9 THC’ means the natural or synthetic equivalents or substances contained in the plant, 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.

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

(4) ‘Independent testing laboratory’ means:

(a) a laboratory that is accredited as a testing laboratory by the International Organization for Standardization by a third party accrediting body such as the American Association for Laboratory Accreditation or the Assured Calibration and Laboratory Accreditation Select Services; and

(b) those having a direct or indirect interest in the laboratory do not have a direct or indirect interest in a facility that:

(i) processes, distributes, or sells low THC hemp products or a substantially similar substance in another jurisdiction; or

(ii) cultivates, processes, or distributes industrial hemp.

(5) ‘Low THC hemp extract’ means a substance or compound that:

(a) is derived from industrial hemp;

(b) contains an acceptable federally defined THC level for hemp; and

(c) does not contain any other controlled substances.

Section 46‑55‑310. A person may distribute low THC hemp extract if the product:

(1) has been approved by the Food and Drug Administration or the Drug Enforcement Administration as a prescription or over‑the‑counter drug; or

(2) satisfies the independent testing and packaging requirements of this article.

Section 46‑55‑320. Except as otherwise provided, a person distributing low THC hemp extract must obtain and maintain a certificate of analysis showing:

(1) the low THC hemp extract is the product of a batch tested by the independent testing laboratory; and

(2) the testing determined that the batch contained a delta‑9 THC concentration of not more than 0.3 percent by weight, including precursors, based on testing a random sample of the batch.

Section 46‑55‑330. Low THC hemp extract must be distributed in packaging that contains a scannable bar code or QR code linked to a document containing certain information with respect to the manufacture of the low THC hemp extract or paper documentation containing the same information held on the premises including, but not limited to, the:

(1) batch identification number;

(2) product name;

(3) batch date;

(4) expiration date, which may not be more than two years from the date of manufacture;

(5) names of all ingredients used;

(6) manufacturer’s name and address;

(7) number of milligrams of low THC hemp product;

(8) number of milligrams of CBD in the low THC hemp product;

(9) certification that the product has safe levels of mycotoxins, pesticides, heavy metals, and residual solvents; and

(10) certification that the product contains no synthetic cannabinoids.

Section 46‑55‑340. A person who distributes low THC hemp extract in violation of the provisions of this article 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 2. Sections 46-55-10 through 46-55-60, as amended by Act 14 of 2019, are designated as Article 1, Chapter 55, Title 46 and entitled “Industrial Hemp”.

SECTION 3. This act takes effect on July 1, 2020.

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