

House Bill 645

By: Representatives Gravley of the 67<sup>th</sup>, Smyre of the 135<sup>th</sup>, Powell of the 32<sup>nd</sup>, Hatchett of the 150<sup>th</sup>, Werkheiser of the 157<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 9 of Chapter 12 of Title 16 of the Official Code of Georgia Annotated,  
2 relating to access to medical cannabis, so as to update and revise provisions; to revise  
3 definitions; to provide for review of new treatment and delivery methods; to repeal a  
4 provision relating to the role of Georgia universities and testing of specifications; to revise  
5 provisions relating to dispensing; to provide for the issuance of dispensing licenses to  
6 production licensees; to provide for recommendations and input from the oversight  
7 committee; to authorize the commission to require a comparable surety in lieu of a bond; to  
8 provide for coordination with the Georgia Composite Medical Board; to provide a method  
9 for the issuance of subsequent production licenses; to provide for permits to colleges and  
10 universities within this state to conduct medical research via a bona fide partnership with a  
11 Class 1 or Class 2 production licensee; to provide for related matters; to provide for  
12 legislative findings; to provide for application; to repeal conflicting laws; and for other  
13 purposes.

14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

H. B. 645

- 1 -

**SECTION 1.**

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Article 9 of Chapter 12 of Title 16 of the Official Code of Georgia Annotated, relating to access to medical cannabis, is amended by revising Code Section 16-12-200, relating to definitions, as follows:

"16-12-200.

As used in this article, the term:

- (1) 'Applicant' means a corporate entity applying for a license pursuant to this article.
- (2) 'Available capital' means corporate assets that are available to fund business operations in the event a license is awarded pursuant to Part 2 of this article.
- (3) 'Class 1 production license' means a license to produce and manufacture low THC oil and products issued pursuant to Code Section 16-12-211.
- (4) 'Class 2 production license' means a license to produce and manufacture low THC oil and products issued pursuant to Code Section 16-12-212.
- (5) 'Commission' means the Georgia Access to Medical Cannabis Commission created pursuant to Code Section 16-12-202.
- (6) 'Designated universities' means the University of Georgia and Fort Valley State University.
- (7) 'Designated university license' means a license issued by the commission pursuant to this article to a designated university to, separately or jointly, produce, manufacture, and purchase low THC oil and products in accordance with this article.
- (8) 'Dispense' means the sale or provision of low THC oil and products to registered patients by a dispensing licensee.
- (9) 'Dispensing license' means a specialty license issued by the State Board of Pharmacy or the commission pursuant to Code Section 16-12-206 to dispense low THC oil and products to registered patients.
- (10) 'Grow' means cultivating and harvesting cannabis for use in producing low THC oil and products.

42 (11) 'Licensee' means any business, or owner of such business, with a valid license  
43 issued pursuant to this article.

44 (12) 'Low THC oil' shall have the same meaning as set forth in Code Section 16-12-190.

45 (13) 'Manufacture' means to process cannabis to produce low THC oil and products.

46 (14) 'Owner' means any person who directly or indirectly owns, actually or beneficially,  
47 or controls 5 percent or greater of interests of the applicant or any licensee. In the event  
48 that one person owns a beneficial right to interests and another person holds the voting  
49 rights with respect to such interests, then both shall be considered an owner of such  
50 interests.

51 (15) 'Product' means low THC oil delivered through an oil, tincture, transdermal patch,  
52 lotion, or capsule, except as prohibited by Code Section 16-12-234, but not including any  
53 food products infused with low THC oil, including, but not limited to, cookies, candies,  
54 or edibles.

55 (16) 'Registered patient' means an individual who is legally authorized to possess and use  
56 low THC oil and products pursuant to Code Section 31-2A-18.

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

61 **SECTION 2.**

62 Said article is further amended by revising Code Section 16-12-203, relating to powers,  
63 duties, and responsibilities of the Georgia Access to Medical Cannabis Commission, as  
64 follows:

65 "16-12-203.

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

- 67 (1) To apply for, receive, and administer state funds appropriated to the commission,  
68 private grants and donations, and other funds and donations. The commission's annual  
69 distributions shall be capped and limited to funds received from the sources specified in  
70 this paragraph. The commission shall ensure that its funds are not used as a supplement  
71 or secondary payor to any other third-party payor;
- 72 (2) To execute a contract or contracts to purchase or obtain low THC oil, cannabis,  
73 cannabinoids, or any other derivative, compound, or substantially similar products from  
74 any available legal source and to provide logistics related thereto in accordance with this  
75 article. Such contract or contracts may be executed with one or more qualified  
76 corporations or with one or more governmental entities. Purchases made pursuant to this  
77 paragraph shall not be subject to state purchasing laws contained in Article 3 of Chapter  
78 5 of Title 50 or in other provisions of the Official Code of Georgia Annotated;
- 79 (3) To utilize funds appropriated to the commission as may be necessary to purchase and  
80 transport low THC oil and products to the State of Georgia for use by registered patients;
- 81 (4) To develop, establish, maintain, and administer a low THC oil and products  
82 distribution network to obtain and distribute low THC oil and products to registered  
83 patients in this state and to coordinate the best use of facilities and resources to operate  
84 such distribution network;
- 85 (5) To establish procedures for inspecting production facilities operated by designated  
86 universities;
- 87 (6) To establish requirements and procedures to ensure quality control, security, and  
88 oversight of low THC oil and products production in this state, including, but not limited  
89 to, testing for purity and dosage levels and verification that product labels accurately  
90 reflect product content;
- 91 (7) To provide for oversight of tracking systems;
- 92 (8) To coordinate and assist in the collection of data to evaluate the provision of low  
93 THC oil and products in this state;

- 94 (9) To study the provision of low THC oil and products in this state to determine the best  
95 practices and methods of providing such services, to determine what changes are needed  
96 to improve the provision of low THC oil and products, and to report any proposed  
97 legislative changes to the General Assembly each year;
- 98 (10) To coordinate its activities with the Department of Public Health;
- 99 (11) To employ an executive director and other staff and to establish duties and  
100 responsibilities of such persons; ~~and~~
- 101 (12) To employ and manage consultants, as deemed necessary, in order to fulfill its  
102 duties and responsibilities under this article; and
- 103 (13) To review new treatment and delivery methods for low THC oil and products that  
104 may result from medical research and are not otherwise inconsistent with this article, and  
105 recommend statutory changes to the General Assembly to authorize such treatment and  
106 delivery methods and products."

107 **SECTION 3.**

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

111 "16-12-204.

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

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

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

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

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

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

133 (D) The amount of therapeutic chemicals produced resulting from the low THC oil and  
134 products manufactured pursuant to this article;

135 (E) The amounts paid each year to the licensee related to the licensee's production of  
136 low THC oil and products manufactured pursuant to this article; and

137 (F) The amount of low THC oil and products distributed to each dispensing licensee  
138 to dispense low THC oil and products in this state during each calendar year.

139 (2) The commission shall provide the information collected pursuant to this subsection  
140 for the previous calendar year in the form of a written report to the Senate Health and  
141 Human Services Committee and the House Committee on Health and Human Services  
142 no later than February 1 of each year. The commission shall also make a copy of such  
143 report available to the public by posting such report on the commission's website.

144 (d) The commission may revoke the license of a designated university if it is found by the  
145 commission to have violated any of the requirements established pursuant to this article."

146 **SECTION 4.**

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

149 **SECTION 5.**

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

152 "16-12-206.

153 (a)(1) ~~The~~ Upon request by a licensed pharmacy in this state, the State Board of  
154 Pharmacy shall be authorized to develop an annual, nontransferable specialty dispensing  
155 license for a an independent pharmacy with a registered office located within this state  
156 to dispense low THC oil and products to registered patients. The State Board of  
157 Pharmacy shall develop rules and regulations regarding dispensing pharmacies in this  
158 state in accordance with the requirements contained in subsection (b) of this Code  
159 section.

160 (2) The commission shall be authorized to develop an annual, nontransferable dispensing  
161 license for other retail outlets operated by Class 1 and Class 2 production licensees to  
162 dispense low THC oil and products to registered patients. The commission shall develop  
163 rules and regulations regarding retail dispensing licensees in this state in accordance with  
164 the requirements contained in subsection (b) of this Code section. No later than six  
165 months after the award of a Class 1 or Class 2 production license, the commission shall  
166 issue such production licensee a sufficient number of retail dispensing licenses to make  
167 its products available to registered patients throughout the state. ~~The commission shall~~  
168 ~~ensure that retail outlets are dispersed throughout the state for access by registered~~  
169 ~~patients.~~ In setting the number of retail licensees per production licensee, the commission  
170 shall consider the following factors:

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

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

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

178 (b) The State Board of Pharmacy and the commission shall ~~jointly~~ separately adopt rules  
179 relating to the dispensing of low THC oil and products, with the State Board of Pharmacy  
180 promulgating rules and regulations for pharmacies that dispense low THC oil and products  
181 and the commission promulgating rules and regulations for other retail outlets that dispense  
182 low THC oil and products by pharmacies and retail dispensing licensees. Such rules shall  
183 include but not be limited to:

184 (1) Standards, procedures, and protocols for the effective use of low THC oil and  
185 products as authorized by state law and related rules and regulations;

186 (2) Standards, procedures, and protocols for the dispensing of low THC oil and products  
187 by a pharmacy with a dispensing license and by retail dispensing licensees and for the  
188 utilization of a tracking system;

189 (3) Procedures and protocols to provide that no low THC oil or products may be sold to  
190 or transferred to a location outside of this state;

191 (4) The establishment of standards, procedures, and protocols for determining the  
192 amount of usable low THC oil and products that is necessary to constitute an adequate  
193 supply for registered patients in this state to ensure uninterrupted availability for a period  
194 of one month, including amounts for topical treatments;

195 (5) The establishment of standards, procedures, and protocols to ensure that all low THC  
196 oil and products dispensed ~~is~~ are consistently pharmaceutical grade;



- 197 (6) The establishment of standards and procedures for the revocation, suspension, and  
 198 nonrenewal of dispensing licenses;
- 199 (7) The establishment of other licensing, renewal, and operational standards which are  
 200 deemed necessary by the State Board of Pharmacy and the commission;
- 201 (8) The establishment of standards and procedures for testing low THC oil and products  
 202 for levels of tetrahydrocannabinol or other testing parameters deemed appropriate by the  
 203 State Board of Pharmacy and the commission;
- 204 (9) The establishment of health, safety, and security requirements for pharmacies and  
 205 ~~other retail outlets~~ retail dispensing licensees dispensing low THC oil and products; and
- 206 (10) Requirements for the issuance of dispensing licenses to pharmacies and ~~other retail~~  
 207 ~~outlets~~ Class 1 and Class 2 production licensees."

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**SECTION 6.**

209 Said article is further amended by revising Code Section 16-12-207, relating to establishment  
 210 of Medical Cannabis Commission Oversight Committee, membership, and inspections, as  
 211 follows:

212 "16-12-207.

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

218 (b) The commission shall promptly provide any document or information requested by the  
 219 oversight committee that is in its possession, provided that the commission shall not share  
 220 documents containing data identifying individual patients or physicians, information  
 221 marked as trade secrets by applicants or licensees, information that in the view of the  
 222 commission would interfere with an ongoing licensing applicant selection process, or

223 information that in the judgment of the commission would create law enforcement or  
224 security risks to the citizens of Georgia.

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

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

235

#### SECTION 7.

236 Said article is further amended by revising Code Section 16-12-210, relating to powers,  
237 duties, and responsibilities of commission, no undue burden on patients, and remission of  
238 fees, as follows:

239 "16-12-210.

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

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

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

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

247 (4) Establish requirements and procedures to ensure quality control, security, and  
248 oversight of all low THC oil and product production in this state, including, but not

249 limited to, conducting testing for purity and dosage levels and verifying that product  
250 labels accurately reflect product content. The commission is authorized to contract with  
251 private laboratories to perform the functions described in this paragraph;

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

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

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

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

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

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

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

262 (b) The commission shall not promulgate any rules or regulations that would unduly  
263 burden access to low THC oil or products by registered patients.

264 (c) All fees collected by the commission shall be remitted to the general fund of the state  
265 treasury."

266

### **SECTION 8.**

267 Said article is further amended by revising subsections (a), (b), and (g) of Code Section  
268 16-12-211, relating to Class 1 production licenses, application fee, revocation, limitation on  
269 ownership, and replacement licenses, as follows:

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

272 (1) Grow cannabis only in indoor facilities for use in producing low THC oil, limited to  
273 100,000 square feet of cultivation space; and

274 (2) Manufacture low THC oil and products.

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

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

286 (2) A written production plan detailing the production processes that, at a minimum,  
287 includes details describing how the chain of custody will be maintained, documented, and  
288 made available for review by the commission or the Georgia Bureau of Investigation.  
289 Production processes shall include compliance with all production standards, laws, and  
290 regulations needed to protect public safety and ensure product purity;

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

- 301 (4) A written plan detailing specific security measures to ensure secured transportation  
302 and tracking of delivered products for intrafacility transportation;
- 303 (5) A detailed employment plan specifying the jobs and salaries of employees and  
304 demonstrating the expected economic impact of proposed activities in Georgia;
- 305 (6) A written plan to ensure that no pesticides are used at any point in the production  
306 process other than those certified organic by the Organic Materials Review Institute or  
307 another similar standards organization;
- 308 (7) Detailed designs of all production facilities;
- 309 (8) Letters of support from one or more local governmental entities where the primary  
310 facilities will be located;
- 311 (9) A demonstration of significant involvement in the business by one or more minority  
312 business enterprises as defined in Code Section 50-5-131, either as co-owners of the  
313 business or as significant suppliers of goods and services for the business. Such  
314 applicants shall be encouraged to form business relationships with Georgia agricultural  
315 businesses and military veterans;
- 316 (10) Documentation of the applicant's industry capabilities and management experience.  
317 The commission shall consider the relevant industry experience and strength of the  
318 applicant's management team and board of directors when considering its merits;
- 319 (11) Sufficient documentation to prove that a \$1.5 million cash bond or for any licenses  
320 that are applied for on or after July 1, 2021, other comparable surety as determined by the  
321 commission, payable to the State of Georgia or an irrevocable letter of credit can be  
322 obtained within 30 days of license award. Failure to provide the requisite bond or letter  
323 of credit within 30 days of the license award date shall be cause for revocation of the  
324 license;
- 325 (12) At least one set of classifiable electronically recorded fingerprints submitted to the  
326 commission in accordance with the fingerprint system of identification established by the  
327 director of the Federal Bureau of Investigation. The commission shall transmit the

328 fingerprints to the Georgia Crime Information Center, which shall submit the fingerprints  
329 to the Federal Bureau of Investigation for a search of bureau records and an appropriate  
330 report and shall promptly conduct a search of state records based upon the fingerprints.  
331 After receiving the report from the Georgia Crime Information Center and the Federal  
332 Bureau of Investigation, the commission shall review the record for all owners, officers,  
333 and employees of the applicant demonstrating a lack of convictions, except for felony  
334 convictions that are greater than ten years old, are not drug related, or have been  
335 expunged or pardoned; and

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

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

342 **SECTION 9.**

343 Said article is further amended by revising subsections (a), (b), and (g) of Code Section  
344 16-12-212, relating to Class 2 production licenses, application fee, revocation, limitation on  
345 ownership, and replacement licenses, as follows:

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

348 (1) Grow cannabis only in indoor facilities for use in producing low THC oil, limited to  
349 50,000 square feet of cultivation space; and

350 (2) Manufacture low THC oil and products.

351 (b) Class 2 production licenses shall be issued to applicants selected by the commission  
352 following a competitive application and review process in accordance with the  
353 requirements set forth in this part. An applicant must be a Georgia corporation or entity

354 and shall maintain a bank account with a bank or credit union located in this state. An  
355 applicant for a Class 2 production license shall submit an application on a form established  
356 by the commission, together with the following information:

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

362 (2) A written production plan detailing the production processes that, at a minimum,  
363 includes details describing how the chain of custody will be maintained, documented, and  
364 made available for review by the commission or the Georgia Bureau of Investigation.  
365 Production processes shall include compliance with all production standards, laws, and  
366 regulations needed to protect public safety and ensure product purity;

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

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

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

- 381 (6) A written plan to ensure that no pesticides are used at any point in the production  
382 process other than those certified organic by the Organic Materials Review Institute or  
383 another similar standards organization;
- 384 (7) Detailed designs of all production facilities;
- 385 (8) Letters of support from one or more local governmental entities where the primary  
386 facilities will be located;
- 387 (9) A demonstration of significant involvement in the business by one or more minority  
388 business enterprises as defined in Code Section 50-5-131, either as co-owners of the  
389 business or as significant suppliers of goods and services for the business. Such  
390 applicants shall be encouraged to form business relationships with Georgia agricultural  
391 businesses and military veterans;
- 392 (10) Documentation of the applicant's industry capabilities and management experience.  
393 The commission shall consider the relevant industry experience and strength of the  
394 applicant's management team and board of directors when considering its merits;
- 395 (11) Sufficient documentation to prove that a \$625,000.00 cash bond or for any licenses  
396 that are applied for on or after July 1, 2021, other comparable surety as determined by the  
397 commission, payable to the State of Georgia or an irrevocable letter of credit can be  
398 obtained within 30 days of license award. Failure to provide the requisite bond or letter  
399 of credit within 30 days of the license award date shall be cause for revocation of the  
400 license;
- 401 (12) At least one set of classifiable electronically recorded fingerprints submitted to the  
402 commission in accordance with the fingerprint system of identification established by the  
403 director of the Federal Bureau of Investigation. The commission shall transmit the  
404 fingerprints to the Georgia Crime Information Center, which shall submit the fingerprints  
405 to the Federal Bureau of Investigation for a search of bureau records and an appropriate  
406 report and shall promptly conduct a search of state records based upon the fingerprints.  
407 After receiving the report from the Georgia Crime Information Center and the Federal



408 Bureau of Investigation, the commission shall review the record for all owners, officers,  
409 and employees of the applicant demonstrating a lack of convictions, except for felony  
410 convictions that are greater than ten years old, are not drug related, or have been  
411 expunged or pardoned; and

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

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

418 **SECTION 10.**

419 Said article is further amended by revising Code Section 16-12-213, relating to tracking  
420 systems required, as follows:

421 "16-12-213.

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

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

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

430 (1) Dynamic allocation of resources;

431 (2) Data redundancy; and

432 (3) Recovery from natural disaster within 12 hours.

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

- 434 (1) Tracking all plants, products, packages, and registered patients' purchase totals,  
435 waste, transfers, conversions, sales, and returns that, if practicable, are linked to unique  
436 identification numbers;
- 437 (2) Tracking lot and batch information throughout the entire chain of custody;
- 438 (3) Tracking all marijuana, ~~and~~ low THC oil, and products throughout the entire chain  
439 of custody;
- 440 (4) Tracking plant, batch, and marijuana, ~~and~~ low THC oil, and product destruction;
- 441 (5) Tracking transportation of marijuana, ~~and~~ low THC oil, and products;
- 442 (6) Performing complete batch recall tracking that clearly identifies all of the following  
443 details relating to the specific batch subject to the recall:
- 444 (A) Amount of low THC oil and products sold;
- 445 (B) Amount of low THC oil and products inventory that is finished and available for  
446 sale;
- 447 (C) Amount of low THC oil and products that is in the process of transfer;
- 448 (D) Amount of low THC oil and products being processed into another form; and
- 449 (E) Amount of postharvest raw marijuana, such as marijuana that is in the drying,  
450 trimming, or curing process;
- 451 (7) Reporting and tracking loss, theft, or diversion of marijuana, ~~or~~ low THC oil, or  
452 products;
- 453 (8) Reporting and tracking all inventory discrepancies;
- 454 (9) Reporting and tracking adverse patient responses or dose related efficacy issues;
- 455 (10) Reporting and tracking all sales and refunds;
- 456 (11) Tracking purchase limits and flagging purchases in excess of authorized limits;
- 457 (12) Receiving electronically submitted information required to be reported under this  
458 Code section;

- 459 (13) Receiving testing results electronically from a laboratory via a secured application  
460 program interface into the tracking system and directly linking the testing results to each  
461 applicable source batch and sample;
- 462 (14) Flagging test results that have characteristics indicating that they may have been  
463 altered;
- 464 (15) Providing information to cross-check that low THC oil and product sales are made  
465 to a registered patient, caregiver, or designated caregiver and that the low THC oil and  
466 products received the required testing;
- 467 (16) Providing the commission with real-time access to information in the tracking  
468 system; and
- 469 (17) Providing real-time information to the commission regarding key performance  
470 indicators, including:
- 471 (A) Total low THC oil and products daily sales;
- 472 (B) Total marijuana plants in production;
- 473 (C) Total marijuana plants destroyed; and
- 474 (D) Total inventory adjustments.
- 475 (e) A Class 1 production licensee or Class 2 production licensee shall supply the relevant  
476 tracking or testing information regarding each plant, product, package, batch, test, transfer,  
477 conversion, sale, recall, or disposition of marijuana, ~~or~~ low THC oil, or products in or from  
478 such licensee's possession or control on forms created by the commission."

479 **SECTION 11.**

480 Said article is further amended by revising Code Section 16-12-215, relating to limitation on  
481 locations, advertising or marketing prohibited, and information available to physicians, as  
482 follows:

483 "16-12-215.

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

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

501 **SECTION 12.**

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

504 "16-12-216.

505 The Georgia Bureau of Investigation shall be responsible for ~~ensuring~~ investigating any  
506 alleged criminal activities related to the activities of the licensees, and shall work with the  
507 commission and the Georgia Composite Medical Board to develop procedures to ensure  
508 that all activities of licensees are conducted in accordance with this part and the laws of this

509 state. In addition to other powers and duties, the Georgia Bureau of Investigation, the  
510 commission, and the Georgia Composite Medical Board shall jointly establish procedures  
511 to ensure that no activities conducted under this part result in the illegal or recreational use  
512 of low THC oil, products, or manufacturing by-products and jointly establish any other  
513 procedures necessary to carry out its duties and responsibilities pursuant to this part."

514 **SECTION 13.**

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

517 "16-12-217.

518 (a) All licensees shall provide on-demand access to facilities for inspection when requested  
519 by the Georgia Bureau of Investigation, the commission, or the local law enforcement  
520 agency for the jurisdiction in which the facility is located. The commission and the  
521 Georgia Drugs and Narcotics Agency may each conduct one annual inspection. Upon  
522 request by the Georgia Bureau of Investigation, the commission, the Georgia Drugs and  
523 Narcotics Agency, or the local law enforcement agency for the jurisdiction in which the  
524 facility is located, a licensee shall immediately provide product samples for the purposes  
525 of laboratory testing.

526 (b) Each Class 1 production licensee and Class 2 production licensee shall contract with  
527 a laboratory on the commission's approved list of independent laboratories, subject to any  
528 requirements set by the commission, for purposes of testing low THC oil and products  
529 manufactured by such licensees. Low THC oil and products shall be analyzed for potency,  
530 foreign matter, microbial presence, pesticides, heavy metals, and residual solvents. The  
531 commission shall establish limits for each item tested to verify that such low THC oil and  
532 products meet ~~meets~~ the requirements of this part. The commission shall promulgate rules  
533 and regulations governing the operations of laboratories for the testing of low THC oil and  
534 products. The costs of laboratory testing shall be paid by the licensees. Each low THC oil

535 product shall be required to pass all requirements established by the commission before  
536 being distributed. Products that do not pass the commission's requirements shall be  
537 destroyed by the licensee and proof of such destruction shall be sent to the commission  
538 upon request.

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

542 **SECTION 14.**

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

546 "16-12-221.

547 (a) The commission shall grant initial licenses under this part pursuant to contracts  
548 awarded through competitive sealed bids or competitive sealed proposals as provided for  
549 in Article 3 of Chapter 5 of Title 50. After issuance of two initial Class 1 production  
550 licenses pursuant to Code Section 16-12-211 and four initial Class 2 production licenses  
551 pursuant to Code Section 16-12-212, and in the event that the commission revokes a Class  
552 1 or Class 2 production license, a Class 1 or 2 production license is surrendered for any  
553 reason, or the commission issues an additional Class 1 production license pursuant to Code  
554 Section 16-12-214, the commission shall be authorized to issue any replacement Class 1  
555 or Class 2 production licenses in accordance with rules and regulations established by the  
556 commission for such purpose. Such rules and regulations shall not otherwise conflict with  
557 this article, and to the extent practicable, such rules and regulations shall incorporate  
558 provisions and processes similar to Article 3 of Chapter 5 of Title 50.

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

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

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

572

#### SECTION 15.

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

576 "16-12-224.

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

581 (b) No physician who, presently or during the period of such business relationship,  
582 certifies individuals to the commission pursuant to Code Section 31-2A-18 for the use of  
583 low THC oil and products to treat certain conditions shall own, operate, have a financial  
584 interest in, or be employed by a low THC oil or product manufacturer or distributor,  
585 including any licensee under this part. This subsection shall not prohibit a physician from  
586 furnishing a registered patient or his or her caregiver, upon request, with the names of low

587 THC oil and product manufacturers or distributors. Any physician violating this Code  
588 section shall be guilty of a misdemeanor.

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

592 **SECTION 16.**

593 Said article is further amended by revising Code Section 16-12-225, relating to criminal  
594 offenses and penalty, as follows:

595 "16-12-225.

596 (a) A licensee or licensee's employee who knowingly or willfully encourages, causes,  
597 abets, connives, conspires, or aids in the endangerment of patients, trafficking of low THC  
598 oil, products, or its manufacturing by-products, or criminal distribution of raw materials  
599 and agricultural inputs, including but not limited to seeds, under this part shall be guilty of  
600 a felony and, upon conviction thereof, be punished by a fine not to exceed \$100,000.00,  
601 imprisonment for not less than five nor more than ten years, or both.

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

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



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

614 **SECTION 17.**

615 Said article is further amended by revising Code Section 16-12-226, relating to applicable  
616 sales and use tax, as follows:

617 "16-12-226.

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

620 **SECTION 18.**

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

623 "16-12-230.

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

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

630 **SECTION 19.**

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

633 "16-12-231.

634 The following persons and entities, when acting in accordance with the provisions of this  
635 article, shall not be subject to arrest, prosecution, or any civil or administrative penalty,

636 including a civil penalty or disciplinary action by a professional licensing board, or be  
637 denied any right or privilege, for the medical use, prescription, administration,  
638 manufacture, or distribution, or transport of low THC oil or products:

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

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

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

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

648 (5) A designated university, an employee of a designated university, or any other person  
649 associated with the production of low THC oil or products in accordance with this article;  
650 and

651 (6) An employee, contractor, or agent of a licensee with proper identification associated  
652 with the production, manufacture, distribution, transport, or sale of low THC oil or  
653 products in accordance with this article."

654 **SECTION 20.**

655 Said article is further amended by revising Code Section 16-12-233, relating to contracts not  
656 against public policy, as follows:

657 "16-12-233.

658 It is the intent of the General Assembly that contracts related to the cultivation, harvesting,  
659 manufacturing, production, and distribution of cannabis solely for the manufacture of low  
660 THC oil or products pursuant to this article are not deemed contracts against public policy

661 pursuant to Code Section 13-8-2 and shall be enforceable. No such contract shall be  
662 unenforceable on the basis that activities related to cannabis are prohibited by federal law."

663 **SECTION 21.**

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

666 "16-12-234.

667 It shall be unlawful to ingest low THC oil or products in a manner that employs a heating  
668 element, power source, electronic circuit, or other electronic, chemical, or mechanical  
669 means, regardless of shape or size, that can be used to produce vapor in a solution or other  
670 form, including but not limited to any electronic cigarette, electronic cigar, electronic  
671 cigarillo, electronic pipe, or similar product or device and any vapor cartridge or other  
672 container of low THC oil or product in a solution or other form that is intended to be used  
673 with or in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or  
674 similar product or device."

675 **SECTION 22.**

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

678 "16-12-235.

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

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

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

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

693 **SECTION 23.**

694 Said article is further amended by adding a new Code section to read as follows:

695 "16-12-235.1.

696 (a) The commission shall issue permits for colleges and universities located within the  
697 State of Georgia to possess limited quantities of low THC oil and products for purposes of  
698 conducting medical research via a bona fide partnership with a Class 1 or Class 2 licensee.  
699 Such permits shall be for a Georgia based college or university that:

700 (1) Is a member of the University System of Georgia, or an independent college or  
701 university accredited by a higher education accrediting body with comparable academic  
702 standards to those utilized by member institutions of the University System of Georgia;

703 (2) Has a campus that has been located at a physical location within the state for at least  
704 20 years, and a full-time enrollment of at least 200 Georgia students during the past year;

705 (3) Is proposing a research partnership that is, in the sole judgment of the commission,  
706 fully compliant with the laws of this article; and

707 (4) Is proposing a research partnership that has been approved by the primary  
708 institutional review board located at such institution.

709 (b) Any such permit issued pursuant to this Code section shall specify:

710 (1) The individuals at the institution authorized to work with low THC oil;

- 711 (2) The primary objectives of the research study;  
712 (3) The physical location on campus where the low THC oil will be stored, and security  
713 measures in place to prevent unauthorized use of such low THC oil;  
714 (4) The method of transporting low THC oil from a licensed production facility to the  
715 campus;  
716 (5) The method of returning low THC oil to a licensed production facility at the  
717 conclusion of the study; and  
718 (6) The beginning and end date of the study.  
719 (c) Any institution which receives a permit pursuant to this Code section shall provide  
720 on-demand access to facilities for inspection when requested by the Georgia Bureau of  
721 Investigation, the commission, or the local law enforcement agency for the jurisdiction in  
722 which the facility is located."

723 **SECTION 24.**

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

727 **SECTION 25.**

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