GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2021

H.B. 818 May 4, 2021 HOUSE PRINCIPAL CLERK

HOUSE BILL DRH40495-MH-45B

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Short Title: (Public) Regulate Cannabinoid Products. Representative Sasser. Sponsors: Referred to: A BILL TO BE ENTITLED AN ACT TO DIRECT THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES TO ESTABLISH A VOLUNTARY LICENSING PROGRAM FOR CANNABINOID-RELATED COMPOUNDS. The General Assembly of North Carolina enacts: **SECTION 1.** G.S. 106-121 reads as rewritten: "§ 106-121. Definitions and general consideration. For the purpose of this Article: The term "advertisement" means all representations disseminated in any (1) manner or by any means, other than by labeling, for the purposes of inducing, or which are likely to induce, directly or indirectly, the purchase of food, drugs, devices or cosmetics. (1a) The term "cannabinoid-related compounds" means any phytocannabinoid found in hemp, including, but not limited to, tetrahydrocannabinol (THC), tetrahydrocannabinolic acid (THCA), cannabidiol (CBD), cannabidiolic acid (CBDA), cannabinol (CBN), cannabigerol (CBG), cannabichromene (CBC), cannabicyclol (CBL), cannabivarin (CBV), tetrahydrocannabivarin (THCV), cannabidivarin (CBDV), cannabichromevarin (CBCV), cannabigerovarin (CBGV), cannabigerol monomethyl ether (CBGM), cannabielsoin (CBE), or cannabicitran (CBT). Cannabinoids do not include synthetic cannabinoids. The term "color" includes black, white, and intermediate grays. (1a)(1b) (1b)(1c) The term "color additive" means a material which: **SECTION 2.** G.S. 106-139 is amended by adding three new subsections to read: The Board shall adopt rules to establish a voluntary certification program for good manufacturing practices in manufacturing, packaging, or labeling operations for cannabinoid-related compounds derived from hemp, as defined in G.S. 106-568.51(7). The Board shall include the following labeling requirements in its voluntary certification rules: The label of products containing cannabinoid-related compounds must (1) indicate both the total marketed cannabinoid content per product unit and, for products intended for human consumption, the marketed cannabinoid content per serving size recommended on the product label. All products containing cannabinoid-related compounds shall include on the (2) label a machine-readable code that, when scanned by a cell phone or other



electronic device, provides access via the internet to a certificate of analysis

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49 50 51 issued by an independent accredited laboratory certified under ISO Standard 17025 that meets all of the following requirements:

- The certification is lot-specific. a.
- The certification provides a profile of total cannabinoid potency b. content contained in the product.
- The certification includes analysis of residual solvents, heavy metals, <u>c.</u> pesticides, mycotoxins, and microbials contained in the product.
- The manufacture, sale, delivery, holding, or offering for sale of any (g) cannabinoid-related compounds that are falsely certified as compliant with the certification rules adopted by the Board under subsection (f) of this section shall be prohibited under this Article and shall also be subject to G.S. 106-123 and G.S. 106-125.
- Application for certification of good manufacturing practices shall be made to the Commissioner on forms provided by the Department. The application shall set forth the name and address of the applicant, the applicant's principal place of business, and such other information as the Commissioner may require. The Board shall develop a schedule of license fees. Fees collected pursuant to this subsection shall be used by the Department to cover all reasonable costs of administering the voluntary licensing program, including all staffing costs."

SECTION 3. G.S. 106-568.51(6) and (7) read as rewritten:

- Hemp products. All products made from industrial hemp, including, but not "(6) limited to, cloth, cordage, fiber, food, fuel, paint, paper, particleboard, plastics, seed, seed meal and seed oil for consumption, and verified propagules for cultivation if the seeds originate from industrial hemp varieties. hemp that are prepared in a form available for commercial sale, excluding any product that is smokeable.
- Industrial hemp. All parts and varieties of the Hemp. The plant Cannabis (7) sativa (L.), cultivated or possessed by a grower licensed by the Commission, whether growing or not, that contain along with any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than three-tenths of one percent (0.3%) on a dry weight basis."

SECTION 4. Chapter 106 of the General Statutes is amended by adding a new section to read:

"§ 106-568.58. Hemp not an adulterant.

Notwithstanding any other provision of law, including federal laws and rules to the contrary, but subject to any rules and regulations developed by the Board of Agriculture, products that contain hemp or any part of the hemp plant or hemp derivative, including the seeds and all naturally occurring cannabinoids, compounds, concentrates, extracts, isolates, resins, isomers, acids, salts, salts of isomers, or cannabidiol derivatives, are not considered to be adulterated or misbranded based solely on the inclusion of hemp or any hemp derivative. Subject to any rules and regulations developed by the Board of Agriculture, the production, marketing, sale, or distribution of products that contain hemp or any derivatives of hemp, including hemp-derived cannabidiol, may not be restricted or prohibited based solely on the inclusion of hemp or any hemp derivative."

SECTION 5.(a) G.S. 90-87(16) reads as rewritten:

"(16) (See editor's note for expiration of last sentence) "Marijuana" means all parts of the plant of the genus Cannabis, whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin, but shall not include the mature stalks of such plant, fiber produced from such stalks, oil, or cake made from the seeds of such plant, any other

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 compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of such plant which is incapable of germination. The term does not include industrial hemp or hemp products as defined in G.S. 106-568.51, when the industrial hemp is produced and used in compliance with rules issued by the North Carolina Industrial Hemp Commission. G.S. 106-568.51."

SECTION 5.(b) G.S. 90-94(2) reads as rewritten:

"(2) Tetrahydrocannabinols. Tetrahydrocannabinols, except for tetrahydrocannabinols found in hemp or hemp products, as those terms are defined by G.S. 106-568.51."

SECTION 6. The Board of Agriculture shall adopt temporary rules to implement this act no later than January 1, 2022. The temporary rules shall remain in effect until permanent rules that replace the temporary rules become effective. The Board of Agriculture shall adopt permanent rules no later than January 1, 2023.

SECTION 7. Section 2 of this act becomes effective January 1, 2022. Sections 3 and 5 of this act become effective October 1, 2021, and apply to offenses committed on or after that date. The remainder of this act is effective when it becomes law.

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