**A** **BILL**

TO AMEND SECTION 46‑55‑20, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE ESTABLISHMENT OF THE SOUTH CAROLINA INDUSTRIAL HEMP PROGRAM, SO AS TO REVISE THE NUMBER OF PERMITS TO GROW INDUSTRIAL HEMP THAT MAY BE ISSUED PER YEAR AND THE NUMBER OF ACRES THAT MAY BE CULTIVATED, TO PROVIDE FOR ANNUAL RENEWAL OF REGISTRATION BY A PERMIT HOLDER, AND TO PROVIDE THE CIRCUMSTANCES IN WHICH A PERMIT MAY BE REVOKED; TO AMEND SECTION 46‑55‑30, RELATING TO PROPAGATION METHODS TO PRODUCE INDUSTRIAL HEMP AND EXEMPTIONS FROM CIVIL AND CRIMINAL LIABILITY GRANTED TO PERSONS COVERED BY THE INDUSTRIAL HEMP PROGRAM, SO AS TO DELETE THE PROVISION THAT CREATES A THREE‑YEAR PILOT PROGRAM; AND BY ADDING SECTION 46‑55‑70 SO AS TO ESTABLISH THE SOUTH CAROLINA HEMP ADVISORY COMMITTEE TO ASSIST THE DEPARTMENT OF AGRICULTURE IN DEVELOPING THE STATE INDUSTRIAL HEMP INDUSTRY.

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

SECTION 1. Section 46‑55‑20 of the 1976 Code, as last amended by Act 37 of 2017, is further amended to read:

“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~~ may approve all applications for industrial hemp permits and registrations, if all application criteria, including passing required background checks, is met. 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 of the South Carolina Industrial Hemp Pilot Program ~~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~~ each permittee is permitted to grow industrial hemp on the number of acres applied for. 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) A permitted grower may renew annually a registration under this section in the manner prescribed by the department.

(b) Subject to the provisions of Chapter 55, Title 46, the Department of Agriculture may revoke the permit of a grower or refuse to register or renew the registration and permit if a grower violates:

(i) a provision of Sections 46‑55‑10 to 46‑55‑60;

(ii) a rule adopted under a provision of Sections 46‑55‑10 to 46‑55‑60;

(iii) an order issued by the department pursuant to a provision of Sections 46‑55‑10 to 46‑55‑60 or a rule adopted under a provision of Sections 46‑55‑10 to 46‑55‑60; or

(iv) any statutory law or department rule related to agricultural activities other than industrial hemp operations.

(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 2. Section 46‑55‑30(2) of the 1976 Code, as added by Act 37 of 2017, is amended to read:

“(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 3. Chapter 3, Title 46 of the 1976 Code is amended by adding:

“Section 46‑55‑70. (A) The South Carolina Hemp Advisory Committee is established to assist the Department of Agriculture in developing the South Carolina industrial hemp industry, including, but not limited to, identifying solutions for applications, applicants, growing industrial hemp, processing industrial hemp, economic development, and for new market opportunities.

(B)(1) The Hemp Advisory Committee shall have nine members and an ex officio nonvoting chairman.

(2) The Hemp Advisory Committee members shall be comprised of: nine members, one each appointed by the legislative delegations representing each of the seven Congressional Districts; one member appointed by the Governor; and one member appointed by the Chief of the South Carolina Law Enforcement Division (SLED).

(3) The Chairman of the Hemp Advisory Committee is the Commissioner of Agriculture and will serve as an ex officio, nonvoting member.

(4) The appointments to the Hemp Advisory Committee must be practical producers of industrial hemp and must be citizens and residents of this State.

(5) The term of office of Hemp Advisory Committee members, other than the ex officio member, shall be one year.

(6) The Hemp Advisory Committee shall establish rules that govern its operation.

(7) A vacancy on the committee must be filled for the unexpired term in the same manner as the committee member whose departure from the committee created the vacancy. A majority of the voting members of the committee shall constitute a quorum for the transaction of all business and the carrying out of all duties of the committee.

(C) The Hemp Advisory Committee shall hold, at a minimum, two meetings annually.

(D) The members of the committee shall receive no salary, but if funding from the Department of Agriculture is available, they shall receive per diem and subsistence as provided by law for members of state boards, commissions, and committees while engaged in the work of the committee.

(E) The members of the committee shall not be held liable for any act, error, omission, decision, or conduct with respect to their duties except in cases of fraud or wilful misconduct.”

SECTION 4. The repeal or amendment by this act of any law, whether temporary or permanent or civil or criminal, does not affect pending actions, rights, duties, or liabilities founded thereon, or alter, discharge, release or extinguish any penalty, forfeiture, or liability incurred under the repealed or amended law, unless the repealed or amended provision shall so expressly provide. After the effective date of this act, all laws repealed or amended by this act must be taken and treated as remaining in full force and effect for the purpose of sustaining any pending or vested right, civil action, special proceeding, criminal prosecution, or appeal existing as of the effective date of this act, and for the enforcement of rights, duties, penalties, forfeitures, and liabilities as they stood under the repealed or amended laws.

SECTION 5. This act takes effect upon approval by the Governor.

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