

**INDUSTRIAL HEMP AMENDMENTS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jennifer Dailey-Provost**

Senate Sponsor: Evan J. Vickers

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**LONG TITLE**

~~H→ [Committee Note:~~

~~— The Natural Resources, Agriculture, and Environment Interim Committee  
recommended this bill.~~

~~— Legislative Vote: 14 voting for 0 voting against 5 absent] ←H~~

**General Description:**

This bill modifies and enacts provisions related to industrial hemp.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ modifies serving size requirements;
- ▶ modifies provisions to allow the transportation of transportable industrial hemp concentrate under certain circumstances;
- ▶ repeals provisions related to the industrial hemp laboratory permit;
- ▶ repeals provisions related to the registration fee of a cannabinoid product;
- ▶ allows a local health department to notify the Department of Agriculture and Food regarding violations related to cannabinoid products;
- ▶ exempts a sale of a cannabinoid product from sales and use tax;
- ▶ enacts the Cannabinoid Product Licensing and Tax Act;
- ▶ authorizes the State Tax Commission to disclose to the Department of Agriculture information related to retailers that are licensed to sell and collect tax on a sale of a

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183 (a) establish requirements for a cannabinoid processor license to process cannabinoid  
184 products;

185 (b) establish requirements for an industrial hemp retailer permit to market or sell  
186 industrial hemp products;

187 (c) establish the standards, methods, practices, and procedures a laboratory must use  
188 ~~[to qualify for a permit to test]~~ when:

189 (i) testing industrial hemp, transportable industrial hemp concentrate, and cannabinoid  
190 products; and ~~[to dispose]~~

191 (ii) disposing of non-compliant material; ~~[and]~~

192 (d) establish requirements for registration of processors of non-cannabinoid industrial  
193 hemp products~~[-]; and~~

194 (e) establish standards for transporting transportable industrial hemp concentrate into  
195 and out of the state.

196 (2) The department shall maintain a list of each licensee and permittee.

197 (3) ~~It~~ **→ [The]** Beginning January 1, 2025, the ~~← It~~ department shall provide to the State  
197a Tax Commission:

198 (a) a regularly updated list of every retailer permittee that sells a cannabinoid product;

199 (b) any information obtained by the department regarding a person who is not a retailer  
200 permittee and is selling a cannabinoid product; and

201 (c) the tax identification number:

202 (i) for a retailer permittee described in Subsection (3)(a); and

203 (ii) a person described in Subsection (3)(b).

204 Section 3. Section **4-41-103.4** is amended to read:

205 **4-41-103.4. Industrial hemp laboratory testing.**

206 (1) The department or a laboratory ~~[permittee of]~~ contracted with the department may  
207 test industrial hemp and cannabinoid products.

208 (2) The department or a laboratory ~~[permittee of]~~ contracted with the department may  
209 dispose of non-compliant material.

210 ~~[(3) A laboratory seeking an industrial hemp laboratory permit shall:]~~

211 ~~[(a) demonstrate to the department that:]~~

212 ~~[(i) the laboratory and laboratory staff possess the professional certifications required~~  
213 ~~by department rule;]~~

2105 (c) file a return or statement required by this part.

2106 (6) An overpayment of a tax imposed by this part shall accrue interest at the rate and in  
2107 the manner provided in Section 59-1-402.

2108 (7) (a) The commission shall retain and deposit an administrative charge in accordance  
2109 with Section 59-1-306 from revenue generated by the tax under this part.

2110 (b) The commission shall ~~H→~~ [deposit the remaining revenue generated by the tax imposed  
2111 by this part] deposit 47% of the revenue generated by the tax imposed by this part into the  
2111a General Fund and the remaining revenue ~~←H~~ into the Cannabinoid Proceeds Restricted Account  
2111b created in Section 59-31-401.

2112 Section 20. Section **59-31-401** is enacted to read:

2113 **Part 4. Miscellaneous Provisions.**

2114 **59-31-401. Cannabinoid Proceeds Restricted Account.**

2115 (1) There is created within the General Fund a restricted account known as the  
2116 "Cannabinoid Proceeds Restricted Account."

2117 (2) The Cannabinoid Proceeds Restricted Account consists of:

2118 (a) revenue collected from the tax imposed by Section 59-31-301; and

2119 (b) amounts appropriated by the Legislature.

2120 (3) ~~H→~~ [Money] Subject to appropriation, money ~~←H~~ in the account may be used for the  
2120a following:

2121 (a) enforcement of Title 4, Chapter 41, Hemp and Cannabinoid Act by the Department  
2122 of Agriculture and Food;

2123 (b) investigations described in Section 77-39-101, regarding cannabinoid products;

2124 (c) the Industrial Hemp Grant Program created in Section 63N-3-1302; and

2125 (d) provided to counties, cities, and towns in proportion to the county's, city's, or town's  
2126 distribution under Section 59-12-205 for the preceding fiscal year.

2127 Section 21. Section **59-31-402** is enacted to read:

2128 **59-31-402. Report to Department of Agriculture and Food of illegal cannabinoid**  
2129 **product.**

2130 If the commission suspects that a cannabinoid product is being sold in the state in  
2131 violation of a law other than a law described in this chapter, the commission shall report the  
2132 name and tax identification number of the seller and the cannabinoid product:

2133 (1) to the Department of Agriculture and Food; and

2134 (2) within 30 days after the day on which the commission becomes aware of the sale.

2135 Section 22. Section **63N-3-1301** is enacted to read:

- 2260 (i) the name of the supervising peace officer;
- 2261 (ii) the name of the individual attempting the purchase;
- 2262 (iii) a photograph of the individual attempting the purchase showing how that
- 2263 individual appeared at the time of the attempted purchase;
- 2264 (iv) the name and description of the cashier or proprietor from whom the individual
- 2265 attempted the purchase;
- 2266 (v) the name and address of the retail establishment; and
- 2267 (vi) the date and time of the attempted purchase.

2268 Section 25. **Effective date.**

2269 (1) Except as provided in Subsection (2), this bill takes effect on January 1, 2025.

2270 (2) ~~H~~→ [The actions affecting the following sections take effect on May 1, 2024] If approved

2270a by two-thirds of all the members elected to each house, the actions affecting the following

2270b sections take effect upon approval by the governor, or the day following the constitutional time

2270c limit of Utah Constitution, Article VII, Section 8, without the governor's signature, or in the

2270d case of a veto, the date of veto override ~~H~~ :

2271 (a) Section 4-41-102;

2272 (b) ~~H~~→ Section 4-41-103.1

2272a (c) ~~H~~ Section 4-41-103.4;

2273 ~~H~~→ [~~(c)~~] (d) ~~H~~ Section 4-41-105;

2274 ~~H~~→ [~~(d)~~] (e) ~~H~~ Section 4-41-106;

2275 ~~H~~→ [~~(e)~~] (f) ~~H~~ Section 26A-1-114;

2276 ~~H~~→ [~~(f)~~] (g) ~~H~~ Section 58-37-2; and

2277 ~~H~~→ [~~(g)~~] (h) ~~H~~ Section 58-37-3.6.