

John Bel Edwards
Governor



Ernest P. Legier Jr.
Commissioner

Louisiana Office of Alcohol and Tobacco Control

August 18, 2021

ATC Advisory: CBD & Consumable Hemp Legislative Update

During the 2021 Regular Legislative Session, HB 640 was passed and signed by Governor Edwards on June 14, 2021. See Act 336 amending CBD laws. The changes include the more expansive definition of consumable hemp in lieu of CBD, the creation of a consumable hemp wholesale permit, legalization of food and beverages derived from consumable hemp if registered and approved by the Louisiana Department of Health ("LDH") and tamper evident packaging related to the sale of hemp floral or flower. The changes are effective as of August 1, 2021.

[CBD Laws prior to August 1, 2021](#)

Prior to August 1, 2021, Title 3, Part VI, was formerly titled "Industrial Hemp Derived Cannabidiol." This section defined CBD as well as industrial hemp products. The law explicitly prohibited any sale of food or beverage products derived from industrial hemp unless FDA approved CBD as a food additive. The law remained silent as it related to hemp flower however was explicit that only hemp products that have been registered and approved by LDH were permitted to be sold in Louisiana. Additionally, the law provided that ATC had no authority to permit or otherwise regulate wholesale sellers, manufacturers, distributors, or packers of industrial hemp products.

[Current Law as of August 1, 2021](#)

The following provides a brief outline of the recent changes and the effect on the retail and wholesale sales of consumable hemp products.

1. **CBD redefined as Consumable Hemp** - Act 336 amended Part VI title to "Consumable Hemp Products." The amended law defines consumable hemp as any product derived from industrial hemp that contains any cannabinoids and is intended for consumption or topical use. The amended law explicitly provides ATC regulatory authority over the retail and wholesale dealers of consumable hemp product. It also requires the Agency to investigate any report of a violation of consumable hemp law and report any criminal violation to the appropriate law enforcement agency.
2. **Food, Edibles & Beverage derived from hemp** – Act 336 amended the prohibition on edible and beverage hemp products. However, these consumable hemp products must be registered and approved with the LDH prior to legally offering the product for sale in Louisiana. Because these products were prohibited prior to the effective date of Act 336, a grace period shall not be granted for any products lacking the proper registration or approval. Sale of these products shall be deemed a violation of the law. The list of consumable hemp products that have been registered with Louisiana Department of Health can be found at the following link: <https://ldh.la.gov/index.cfm/page/4081>.
3. **Floral Hemp Flower Material** – Act 336 clarified the legalization of hemp flower but the product must also be registered and approved by the LDH, subject to the following grace period. In consideration of the

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passage of HB 640, retailers offering for sale hemp floral or flower material prior to the date of this Advisory, August 17, 2021, will be given a **grace period** to sell off this existing inventory, even if such products have not received label approval from the LDH. Hemp floral or flower material in this respect shall only be allowed to be sold in tamper evident packaging that is neither labeled nor marked for inhalation. In order to benefit from this grace period; retailers must maintain invoices demonstrating that the hemp flower products offered for sale were purchased for resale purposes prior to August 18, 2021. If such invoices are not maintained, then it will be presumed that the product or products were purchased after the effective date of this Advisory, and such products shall be prohibited from being sold until the products receive label approval from the LDH.

4. **Consumable Hemp Wholesale permit** - Act 336 requires that all wholesale dealers of consumable hemp obtain a consumable hemp wholesale dealer permit with the ATC prior to engaging in sale to retailers. Consumable hemp retailers are only allowed to purchase consumable hemp products from a Louisiana licensed consumable hemp wholesale dealers, and Louisiana consumable hemp wholesale dealers are only allowed to sell to Louisiana licensed consumable hemp retail dealers. The wholesale application fee is \$500. Renewal fees will be \$500 per year. All wholesale permit shall expire annually June 30th. The Agency anticipates that wholesale application will be available to the public by September 1, 2021. Until such time applications are available to the public, consumable hemp wholesalers may continue to engage in the wholesale of consumable hemp products but will be required to obtain a permit on or before December 1, 2021.

ATC remains committed to supporting businesses in the ever expanding and rapidly growing consumable hemp industry while ensuring that such businesses have the requisite knowledge of and adhere to all applicable laws, rules and regulations. Businesses and individuals who have questions concerning the amendments to the law may contact the agency for guidance by emailing ATC-Attorneys@atc.la.gov.