

**TOWN OF JONESBOROUGH
VISITORS CENTER
117 Boone Street
Jonesborough, TN 37659**

**BOARD OF MAYOR & ALDERMEN
WORK SESSION**

NOVEMBER 25, 2025

6:00 PM – 8:00 PM

AGENDA

1. Call to Order
2. Opening Prayer
3. Pledge to the Flag
4. Roll Call
5. Work Session for Discussion on an Ordinance to Amend Title 2 of the Municipal Code Regulating Alcoholic Beverages and Hemp Derived Cannabinoid Products and Amending Title 11 of the Municipal Code to Establish a Hemp Derived Cannabinoid Manufactory and Retail Store Overlay District.
6. Adjournment

**TOWN OF JONESBOROUGH
BOARD OF MAYOR AND ALDERMEN
WORK SESSION - AGENDA PRESENTATION**

DATE: November 25, 2025

WORK SESSION AGENDA ITEM #: 5

SUBJECT: Work Session Discussion on an Ordinance to Amend the Municipal Code Regulating Alcoholic Beverages and Hemp Derived Cannabinoid Products

BACKGROUND:

The proposed ordinance amends two different Titles of Jonesborough's Municipal Code, including (1) An Ordinance to Amend Title 2 of the Municipal Code of the Town of Jonesborough, Tennessee, Regulating Alcoholic Beverages and Hemp Derived Cannabinoid Products; and (2) Amending Title 11 of the Jonesborough's Municipal Code, of the Town of Jonesborough, Tennessee, to Establish a Hemp Derived Cannabinoid Manufactory and Retail Store Overlay District.

The subject of HDC, or Hemp-Derived Cannabinoids has been a subject matter of discussion for many Tennessee local governments, including the Town of Jonesborough. The Tennessee Municipal League (TML) longstanding ***Tennessee Town and City*** publication recently published "TABC outlines hemp law changes for city leaders". Following the Tennessee General Assembly's overhaul of the state's hemp regulations, officials are working to familiarize local leaders and law enforcement agencies in advance of the new law taking effect. Russell F. Thomas, Executive Director of the [Tennessee Alcoholic Beverage Commission](#) (TABC), explained how the new law, [Public Chapter 526](#), will impact the sale and distribution of hemp-derived cannabinoid (HDC) products, as well as [new rules for licensing, regulation, and enforcement](#) at TML's 85th Annual Conference in Chattanooga. Thomas that, "If your city has questions or headaches about these products showing up in your local stores, you are not alone." "We in Tennessee over the past few years have been through a patchwork of laws, definitions, new products coming up every day, and enforcement gaps. I am here to tell you today that the landscape is changing in Tennessee." The full article is provided as part of the agenda packet for informational purposes.

In collaboration with our Town Attorney Jim Wheeler and Mr. Matthew Musgrove, an attorney in Mr. Wheelers office, their office has been working on drafting an ordinance to address Hemp-Derived Cannabinoid products. I had asked Mr. Musgrove to provide some background and context related to the draft version of the proposed ordinance, which is provided below:

From a scientific viewpoint, hemp and marijuana are both varieties of the plant species *Cannabis sativa* L. (the "L." referring to Carl Linnaeus), and differ not by species but by chemical composition (primarily the concentration of Δ -9 tetrahydrocannabinol, or Δ -9 THC). Under U.S. federal law (via the 2018 Farm Bill), hemp is defined as any part of that plant—including its seeds, extracts, cannabinoids, isomers, acids, salts, and salts of isomers—**with a Δ -9 THC concentration of not more than 0.3 percent on a dry weight basis.**

In practice, plants (or derivatives) that exceed the 0.3 % Δ -9 THC threshold do not qualify as “hemp” and are subject to different regulation under laws governing cannabis/marijuana. Δ -9 THC is the primary psychoactive compound in cannabis, responsible for the “high” feeling by binding to CB1 receptors in the brain and nervous system. Also, the “ Δ -9” designation refers to the location of the double bond in the THC molecule (between carbon 9–10).

From a legal perspective in Tennessee, the state has established a licensing system for hemp-derived cannabinoid (HDC) products under the Tennessee Department of Agriculture (TDA). Regulation of those products will shift to the Tennessee Alcoholic Beverage Commission (TABC) effective January 1, 2026, under Public Chapter 526 (2025). Existing TDA-issued licenses that extend past that date remain valid until their individual expiration.

The purpose of the draft ordinance regarding HDC is to promote the safety and general welfare of the public and to place restrictions, as allowed by Tennessee Statutes, on the location of said businesses. This ordinance authorizes the Town of Jonesborough to protect the public health, safety, and welfare of town residents by regulating HDC businesses within the corporate limits of Jonesborough.

Jonesborough finds and concludes that the proposed provisions are appropriate and lawful land use regulations for the Town of Jonesborough, that the proposed amendments will promote the community's interest in reasonable stability in zoning for now and in the future, and that the proposed provisions are in the public interest and for the public good.

The draft HDC ordinance mirrors both Tennessee state law/regulations and integrates with the existing provisions of the Jonesborough Municipal Code. You may recall that under state law, there is a local option (TCA 57-3-208) for municipalities to require a certificate of compliance before the issuance of State licenses. At present, there is not a similar option afforded for HDC.

Since one of the two proposed ordinances is zoning related, “Hemp Derived Cannabinoid Manufactory and Retail Store Overlay District”, the Jonesborough Planning Commission will need to review and make a recommendation on this proposed ordinance to the Board of Mayor and Aldermen (BMA) prior to second and final reading by the BMA. Further, a public hearing is required to be held prior to second and final reading by the BMA.

ORDINANCE NO. 2025-13

AN ORDINANCE AMENDING TITLE 2 OF THE MUNICIPAL CODE OF THE TOWN OF JONESBOROUGH, TENNESSEE, REGULATING ALCOHOLIC BEVERAGES AND HEMP DERIVED CANNABINOID PRODUCTS

AND AMENDING TITLE 11 OF THE MUNICIPAL CODE OF THE TOWN OF JONESBOROUGH, TENNESSEE, TO ESTABLISH A HEMP DERIVED CANNABINOID MANUFACTORY AND RETAIL STORE OVERLAY DISTRICT

WHEREAS, the Town has authority to regulate the zoning and location of activities within the Town limits; and

WHEREAS, the Board of Mayor and Alderman have determined the zoning, regulation, and enforcement of new state laws necessary for the good order, safety, and welfare of the people of Jonesborough, Tennessee; and

WHEREAS, the Board of Mayor and Aldermen finds that an amendment to the current Municipal Code is necessary to effectively regulate the zoning, manufacture, sale, and enforcement of new state laws under its current Code; now therefore

BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF JONESBOROUGH, TENNESSEE, AS FOLLOWS:

SECTION 1: That Title 2 of the Jonesborough Municipal Code be renamed from 'Alcoholic Beverages' to 'Alcoholic Beverages and Hemp Derived Cannabinoid Products'.

SECTION 2: That Title 2, Chapters 1 and 2 of the Jonesborough Municipal Code be unaffected by this Ordinance.

SECTION 3: That Title 2 of the Jonesborough Municipal Code be amended to add the following new Chapter 3 as follows:

CHAPTER 3
HEMP DERIVED CANNABINOID PRODUCT

SECTION

2-301. Definitions.

2-302. Incorporation of Title 43, Chapter 27 and Title 57, Chapter 7 of the Tennessee Code Annotated and Rules and Regulations promulgated thereunder.

2-303. Possession, Transportation, Manufacture, and Sale Otherwise Prohibited.

- 2-304. Manufacturers and Retail Stores.
- 2-305. Penalties.
- 2-306. Severability.
- 2-307. No exemption from other provisions, statutes, and rules
- 2-308. No requirement for accommodation

2-301. Definitions. As used in this chapter, unless the context indicates otherwise:

“Cannabis” means any plant or any part of a plant of the genera *Cannabis* and includes hemp.¹

“Hemp” means the plant *cannabis sativa L.* and 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 (THC) concentration of not more than three-tenths of one percent (0.3%) on a dry weight basis.²

“Hemp Concentrate” means a concentrate with a delta-9 tetrahydrocannabinol (THC) concentration of not more than five percent (5%) that is derived from hemp solely for purposes of reconstitution into consumer products with a delta-9 tetrahydrocannabinol (THC) concentration of not more than three-tenths of one percent (0.3%).³

“Hemp Derived Cannabinoid (or HDC) Product” means a product that contains or that is labeled to contain a hemp-derived cannabinoid and that is produced, marketed, or otherwise intended to be consumed orally (“ingestible”), inhaled (“inhalable”), or absorbed through the skin (“transdermal”). HDC products also include intermediate products intended for subsequent use as a component in a later finished ingestible, inhalable, or transdermal HDC product. Topical products mean products solely intended to be applied to the skin or hair and are not intended to be absorbed through transdermal application; topical products are not included within the definition of HDC product even if they contain hemp-derived cannabinoid.⁴

All definitions of other terms, as used herein unless context indicates otherwise, are to be interpreted as defined by statute within Title 43 Agriculture and Horticulture, Chapter 27 Hemp, of the Tennessee Code Annotated (including as hereafter amended) and as

¹ See 0080-10-01-.02 Definitions

² T.C.A. § 43-27-101 (3)

³ T.C.A. § 43-27-101 (4)

⁴ 0080-10-01-.02; See also T.C.A. § 57-7-102

used in all rules and regulations authorized therein and promulgated under said chapter; including, but not limited to Rules and Regulations promulgated under T.C.A. §§ 4-3-203 and 43-27-104 (including as hereafter amended) by the Tennessee Department of Agriculture and the Tennessee Department of Revenue (or their successor department or departments hereafter).

2-302. Incorporation of Title 43, Chapter 27 and Title 57, Chapter 7 of the Tennessee Code Annotated and rules and regulations promulgated thereunder. Tennessee Code Annotated, title 43, chapter 27, inclusive, and title 57, chapter 7, inclusive, are hereby adopted so as to be applicable to all manufacture, sale, distribution, storage, possession, transportation, record keeping, and all other actions, duties, responsibilities, and obligations which are regulated by the said code when such actions are conducted within the corporate limits of Jonesborough, Tennessee. It is the intent of the board of mayor and aldermen that the said Tennessee Code Annotated, title 43, chapter 27, inclusive, and title 57, chapter 7, inclusive, shall be effective in Jonesborough, Tennessee, the same as if said code sections were copied herein verbatim and as hereafter may be amended. Furthermore, all manufacture and sales, conducted within the corporate limits of Jonesborough, Tennessee, are likewise subject to the rules and regulations authorized in said code sections and promulgated thereunder; including, but not limited to Rules and Regulations promulgated under T.C.A. § 43-27-104 (including as hereafter amended) by the Tennessee Department of Agriculture and the Tennessee Department of Revenue (or their successor department or departments hereafter). It is the intent of the board of mayor and aldermen that the said Department of Agriculture and Department of Revenue regulations, inclusive, shall be effective in Jonesborough, Tennessee, the same as if said regulations were copied herein verbatim and as hereafter may be amended or promulgated by said departments or their successor department or departments hereafter.

2-303. Possession, Transportation, Manufacture, and Sale otherwise prohibited. Except as authorized by applicable laws, the provisions of this chapter and/or other ordinances, it shall be unlawful for any person to possess, transport, manufacture, receive, store, sell, furnish, or solicit orders for any cannabis, hemp, hemp concentrate, or hemp derived cannabinoid products within the Town of Jonesborough.

2-304. Manufacturers and Retail Stores.

- (1) Manufacture and Sale Authorized. It shall be lawful for a licensee to manufacture and/or sell HDC products at a retail store within the corporate limits of Jonesborough; provided such manufacture and/or retail license has been appropriately approved by the state, and such

manufacture and sales are made in compliance with applicable state and federal statutes, rules and regulations, as well as the provisions established in this chapter.

- (2) License required. It shall be unlawful for any person, firm, or corporation to manufacture or sell any cannabis, hemp, hemp concentrate, or hemp derived cannabinoid products without first obtaining a license for such privilege though the State of Tennessee.
- (3) License Restrictions. No license shall be issued to any person or entity prohibited from obtaining a license as set forth in Tennessee Code Annotated Title 43, Chapter 27, inclusive, and Title 57, Chapter 7, inclusive, and as hereafter may be amended.
- (4) License application. Any person, firm, entity, or corporation desiring to manufacture or sell cannabis, hemp, hemp concentrate, or hemp derived cannabinoid products shall make application to the State of Tennessee. The following conditions apply:
 - (a) Conditions established in the Tennessee Code Annotated and all applicable rules and regulations promulgated thereunder including code sections and rules and regulations as may be amended hereafter.
 - (b) The license expires as set forth in the Tennessee Code Annotated and applicable regulations.
- (5) Restrictions on location of and access to manufacture and retail stores. No location for a manufacturer or retail store shall be approved on any premises within the town, except on premises that are:
 - (a) Zoned B-3.
 - (b) Within a HDC Manufactory and Retail Store (HDC) Overlay Zone made up of two (2) or more separate areas within the B-3 or other zones with one (1) and only one (1) manufactory and/or retail store authorized per HDC Overlay Zone area.
 - (c) Are sufficiently distanced from any K-12 school as provided in Tennessee Code Annotated Section 57-7-106 and as may be amended hereafter.
- (6) Number of stores – adequate availability. For the purpose of determining whether a manufactory and/or retail store are generally available in the town, or whether the town is being adequately served, it will be presumed, absent proof to the contrary, that HDC products are generally available and that the area is being adequately served when the ratio between the number of operating manufactories and retail stores in the town and the population of the town is less than or equal to one (1)

manufactory or retail store for each three thousand (3,000) town residents or fraction thereof.

- (7) Contemporaneous Establishments. In the event that more than one entity seeks to establish a HDC Manufactory and/or Retail Store within the same Overlay Zone area, only the first entity to have established eligibility through a complete and approved application to the State of Tennessee shall be permitted to operate within the Overlay Zone area.

2-305. Penalties. Any violation of the terms of this chapter and section may be punishable by a fine under the general penalty clause of the Jonesborough Municipal Code in addition to any other penalty herein provided, and in addition to those prescribed in Title 43, Chapter 27 and Title 57, Chapter 7 of the Tennessee Code Annotated and as hereafter may be amended. Each separate occurrence shall constitute a separate violation.

2-306. Severability. That the various paragraphs, clauses, and subdivisions of this chapter are intended and declared to be severable. In the event that any of the provisions of this chapter are adjudicated to be invalid, unenforceable, or unconstitutional by a court of competent jurisdiction, the remainder of the chapter shall remain in effect.

2-307. No exemption from other provisions, statutes, and rules. This chapter does not exempt any person from enforcement of other provisions of the Jonesborough Municipal Code, or any state or federal statute, rule, or regulation.

2-308. No requirement for accommodation. Pursuant to Tennessee Code Annotated Section 57-7-111, the following applies:

- (a) The chapter does not permit a person to:
 - (1) Undertake any task under the influence of hemp-derived cannabinoid when doing so would constitute negligence or professional malpractice; or
 - (2) Operate, navigate, or be in actual physical control of a motor vehicle, aircraft, motorized watercraft, or any other vehicle while under the influence of a hemp-derived cannabinoid.
- (b) This chapter does not require:
 - (1) An employer to accommodate the use of a hemp-derived cannabinoid in a workplace or an employee working while under the influence of a hemp-derived cannabinoid.
 - (2) An individual or establishment in lawful possession of property to allow a guest, client, customer, or other visitor to use a hemp-derived cannabinoid on or in that property; or
 - (3) An individual or establishment in lawful possession of property to admit a guest, client, customer, or other visitor

who is impaired as a result of the person's use of a hemp-derived cannabinoid.

- (c) This chapter does not exempt a person from prosecution for a criminal offense related to impairment or intoxication resulting from use of hemp-derived cannabinoid or relieve a person from any requirement under law to submit to a breath, blood, urine, or other test to detect the presence of a controlled substance.
- (d) This chapter does not:
 - (1) Limit the ability of an employer to establish, continue, or enforce a drug-free workplace program or policy;
 - (2) Create a cause of action against an employer for wrongful discharge or discrimination; or
 - (3) Allow the possession, sale, manufacture, or distribution of any substance that is otherwise prohibited by title 39, chapter 17, part 4 of the Tennessee Code Annotated and as may be amended hereafter.
- (e) It is the intent of the board of mayor and aldermen that the said Tennessee Code Annotated Section 57-7-111, shall be effective in Jonesborough, Tennessee, the same as if said code sections were copied herein verbatim and as hereafter may be amended.

SECTION 4: That Title 11, Chapter 5, Section 11-504 of the Jonesborough Municipal Code be amended to add the following new subsection (u) as follows:

(u) HDC (HDC Manufactory and Retail Store) Overlay Zone

SECTION 5: That Title 11, Chapter 5, Section 11-517 of the Jonesborough Municipal Code be amended to add the following new subsection 11-517E as follows:

11-517E. HDC (HDC Manufactory and Retail Store) Overlay Zone. It is the intent of this district to allow HDC manufactories and retail stores to be located in areas that provide the best opportunity for the manufactories and stores to be successful with the least negative impact on the Jonesborough community.

SECTION 6: That this ordinance shall become effective immediately after its passage on second and final reading.

FIRST READING

Introduced by Alderman _____.

Seconded by Alderman _____.

Passed on First Reading the _____ day of _____ 2025.

Those Voting For: _____.

Those Voting Against: _____.

Mayor: _____.

SECOND READING

Motion to Approve on Second Reading by Aldermen _____.

Motion Seconded by Aldermen _____.

Those Voting For: _____.

Those Voting Against: _____.

Mayor: _____

Passed on Second and Final Reading this the _____ **day of** _____ **2025.**

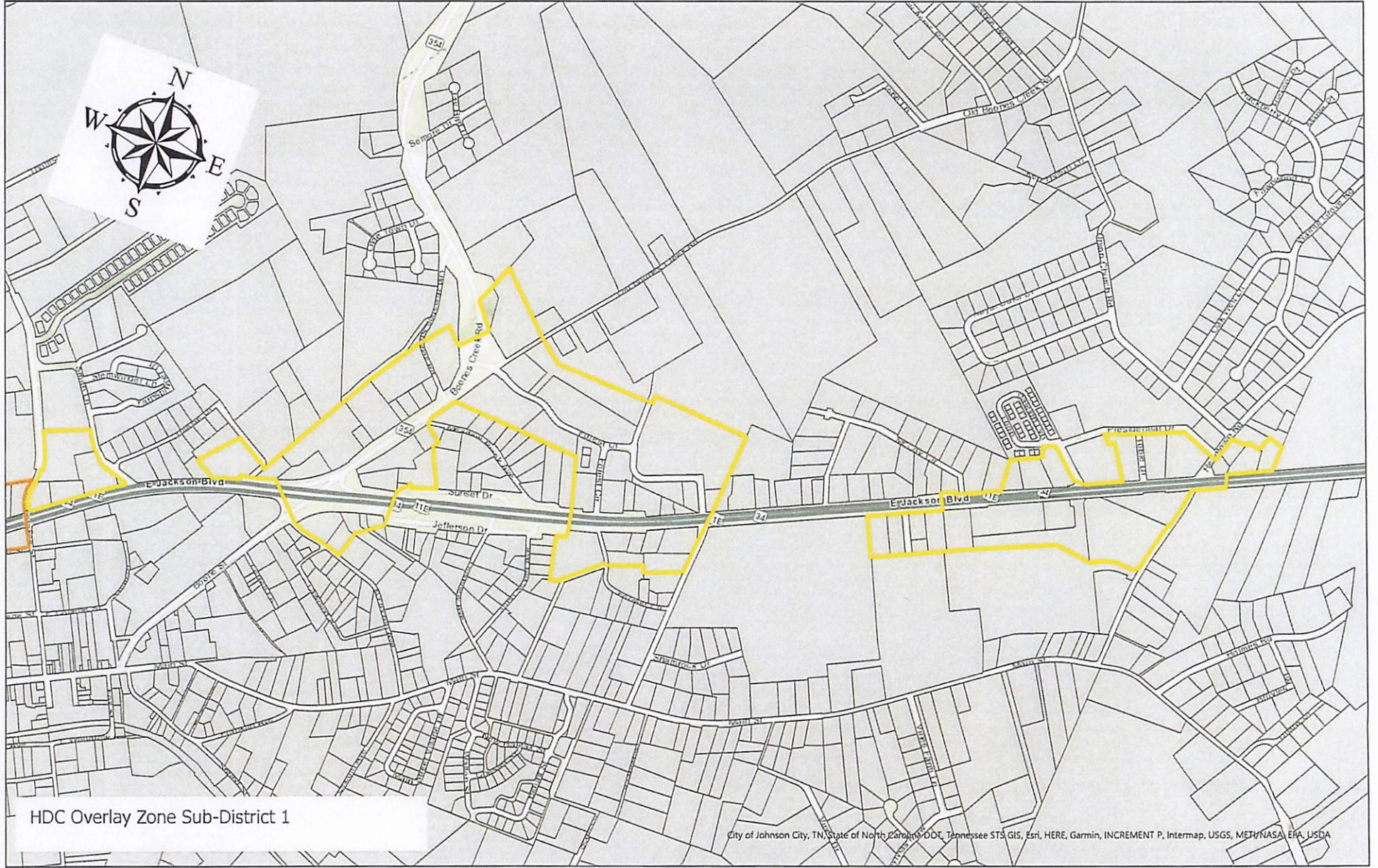
KELLY WOLFE, MAYOR

ATTEST:

APPROVED AS TO FORM:

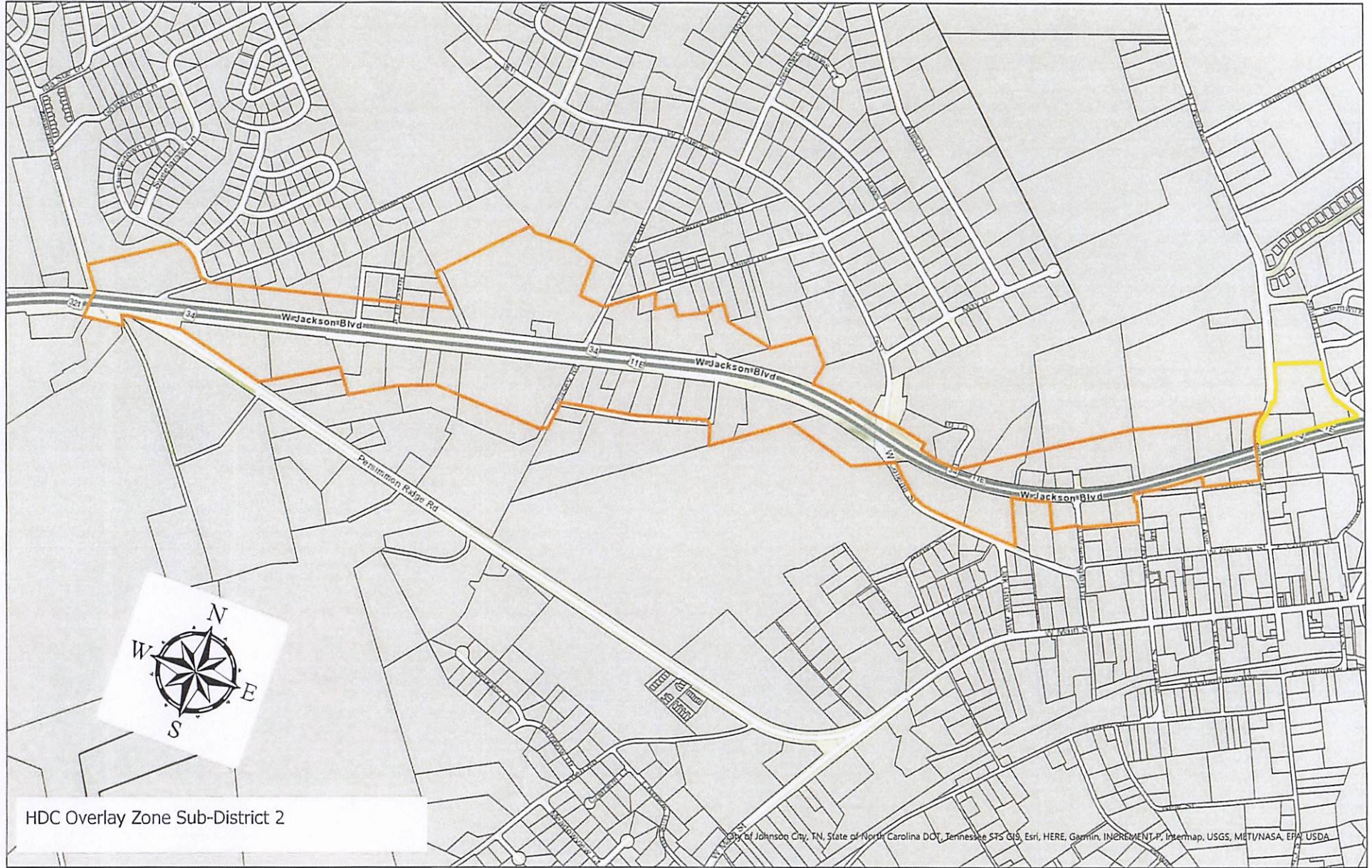
**JANET JENNINGS,
TOWN RECORDER**

**JAMES R. WHEELER,
TOWN ATTORNEY**

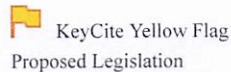


HDC Overlay Zone Sub-District 1

City of Johnson City, TN, State of North Carolina, DOT, Tennessee STS, GIS, Esri, HERE, Garmin, INCREMENT P, Intermap, USGS, METI/NASA, ERI, USDA



HDC Overlay Zone Sub-District 2



West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
Chapter 27. Hemp
Part 1. General Provisions

T. C. A. § 43-27-101

§ 43-27-101. Definitions

Currentness

As used in this chapter:

- (1) “Commissioner” means the commissioner of agriculture;
- (2) “Department” means the department of agriculture;
- (3) “Hemp” means the plant *cannabis sativa* L. and 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 (THC) concentration of not more than three-tenths of one percent (0.3%) on a dry weight basis;
- (4) “Hemp concentrate” means a concentrate with a delta-9 tetrahydrocannabinol (THC) concentration of not more than five percent (5%) that is derived from hemp solely for purposes of reconstitution into consumer products with a delta-9 tetrahydrocannabinol (THC) concentration of not more than three-tenths of one percent (0.3%); and
- (5) “THC” means delta-9 tetrahydrocannabinol.

Credits

2019 Pub.Acts, c. 87, § 12, eff. April 4, 2019; 2022 Pub.Acts, c. 907, § 1, eff. April 22, 2022.

T. C. A. § 43-27-101, TN ST § 43-27-101

Current with effective legislation through the 2025 First Regular Session of the 114th Tennessee General Assembly. Some sections may be more current; see credits for details. Pursuant to §§ 1-1-110, 1-1-111, and 1-2-114, the Tennessee Code Commission certifies the final, official version of the Tennessee Code and, until then, may make editorial changes to the statutes. References to the updates made by the most recent legislative session should be to the Public Chapter and not to the T.C.A. until final revisions have been made to the text, numbering, and hierarchical headings on Westlaw to conform to the official text. Unless legislatively provided, section name lines are prepared by the publisher.

West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
Chapter 27. Hemp
Part 1. General Provisions

T. C. A. § 43-27-102

§ 43-27-102. Hemp producers--licensure

Currentness

- (a) Any person who produces hemp in this state shall obtain an annual license from the department.
- (b) In order to obtain and maintain a hemp license, a person must:
- (1) Submit to the department a description of all land on which the person produces hemp in this state, to include global positioning system coordinates and other information sufficient to identify the property;
 - (2) Submit to the department any other information prescribed by rules as necessary for the efficient enforcement of this chapter;
 - (3) Consent to reasonable inspection and sampling by the department of the person's hemp crop and inventory; and
 - (4) Not be convicted of a state or federal felony drug offense within the previous ten (10) years.
- (c) The department shall maintain all records that the department creates, or that are submitted to the department, for regulation of hemp in this state for a period of at least five (5) years.

Credits

2019 Pub.Acts, c. 87, § 12, eff. April 4, 2019.

T. C. A. § 43-27-102, TN ST § 43-27-102

Current with effective legislation through the 2025 First Regular Session of the 114th Tennessee General Assembly. Some sections may be more current; see credits for details. Pursuant to §§ 1-1-110, 1-1-111, and 1-2-114, the Tennessee Code Commission certifies the final, official version of the Tennessee Code and, until then, may make editorial changes to the statutes. References to the updates made by the most recent legislative session should be to the Public Chapter and not to the T.C.A. until final revisions have been made to the text, numbering, and hierarchical headings on Westlaw to conform to the official text. Unless legislatively provided, section name lines are prepared by the publisher.

West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
Chapter 27. Hemp
Part 1. General Provisions

T. C. A. § 43-27-103

§ 43-27-103. Prohibited acts

Currentness

(a) The following acts within this state are prohibited:

- (1) Possession of rooted hemp by any person, other than a common carrier, without a valid license issued by the department;
- (2) Possession of cannabis with THC concentrations greater than three-tenths of one percent (0.3%) on a dry weight basis;
- (3) Failure to pay upon reasonable notice any license, sampling, or inspection fee assessed by the department;
- (4) Violation of this chapter or any rule promulgated under this chapter; or
- (5) Willful hindrance of the commissioner or the commissioner's authorized agent in performance of their official duties.

(b) It is an exception to the application of subdivision (a)(2) that the only cannabis with a THC concentration greater than three-tenths of one percent (0.3%) on a dry weight basis in the person's possession was hemp concentrate and the person was transporting the hemp concentrate within this state from the location where the hemp concentrate was produced to a location where the hemp concentrate was to be reconstituted into consumer products with a THC concentration of not more than three-tenths of one percent (0.3%); provided, however, that the person transporting the hemp concentrate under this subsection (b) must maintain proof of a grower's license from the department in the transport vehicle.

Credits

2019 Pub.Acts, c. 87, § 12, eff. April 4, 2019; 2022 Pub.Acts, c. 907, § 2, eff. April 22, 2022.

T. C. A. § 43-27-103, TN ST § 43-27-103

Current with effective legislation through the 2025 First Regular Session of the 114th Tennessee General Assembly. Some sections may be more current; see credits for details. Pursuant to §§ 1-1-110, 1-1-111, and 1-2-114, the Tennessee Code Commission certifies the final, official version of the Tennessee Code and, until then, may make editorial changes to the statutes. References to the updates made by the most recent legislative session should be to the Public Chapter and not to the T.C.A. until final revisions have been made to the text, numbering, and hierarchical headings on Westlaw to conform to the official text. Unless legislatively provided, section name lines are prepared by the publisher.

West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
Chapter 27. Hemp
Part 1. General Provisions

T. C. A. § 43-27-104

§ 43-27-104. Commissioner--powers and authority; promulgation of rules

Currentness

(a) The commissioner is authorized to:

(1) Administer this chapter;

(2) Take all action necessary to obtain primary regulatory authority over the production of hemp in this state, as authorized by Section 297 of the Agriculture Improvement Act of 2018 (Public Law 115-334);

(3) Promulgate rules in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, as necessary for regulation of hemp in accordance with the federal Agriculture Improvement Act of 2018 and as determined by the commissioner to be necessary for the efficient enforcement of this chapter;

(4) Determine requirements for and issue licenses for the production of hemp in this state;

(5) Deny or revoke licenses and issue civil penalties up to one thousand dollars (\$1,000) for each violation of this chapter or its rules;

(6) Establish reasonable fees for hemp licenses necessary to implement and administer a hemp program in this state on an ongoing basis. All revenue collected from fees established under this subdivision (a)(6) must be used exclusively for administration of a hemp regulatory program by the department;

(7) Require the maintenance or filing of records;

(8) Enter during normal business hours any premises or conveyance of a person licensed under this chapter for purposes of inspection, sampling, and observation and copying of records required under this chapter; and

(9) Provide, on at least a quarterly basis, a list of persons licensed pursuant to this chapter to the department of safety, for the department of safety's publication on its website. A licensee's inclusion on the list may be used as proof for purposes of satisfying the exception described in § 39-17-427(2).

(b) All rules promulgated by the department prior to July 1, 2019, for regulation of industrial hemp are null and void immediately upon rules promulgated to effectuate chapter 87 of the Public Acts of 2019 taking effect. Within one hundred twenty (120) days of chapter 87 of the Public Acts of 2019 becoming law, the department shall promulgate rules necessary to effectuate the purposes of this chapter. The commissioner is authorized to file emergency rules under § 4-5-208 as necessary for compliance with this subsection (b).

Credits

2019 Pub.Acts, c. 87, § 12, eff. April 4, 2019; 2022 Pub.Acts, c. 907, § 5, eff. April 22, 2022.

T. C. A. § 43-27-104, TN ST § 43-27-104

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West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
Chapter 27. Hemp
Part 1. General Provisions

T. C. A. § 43-27-105

§ 43-27-105. Preventing production or distribution of cannabis; inspections and sampling

Currentness

(a) The department shall enforce this chapter in a manner that may reasonably be expected to prevent production or distribution of cannabis with THC concentrations exceeding three-tenths of one percent (0.3%) on a dry weight basis, including random inspections and sampling of hemp licensees to ensure compliance with this chapter and rules promulgated under this chapter.

(b) The department shall sample and analyze hemp produced in this state and hemp products distributed in this state for THC concentrations, tested according to protocols prescribed by rule under this chapter. Departmental testing methods shall employ liquid chromatography tandem mass spectrometry, in a manner similarly reliable to post-decarboxylation, to determine a cannabinoid profile of samples tested, including their THC concentrations.

Credits

2019 Pub.Acts, c. 87, § 12, eff. April 4, 2019.

T. C. A. § 43-27-105, TN ST § 43-27-105

Current with effective legislation through the 2025 First Regular Session of the 114th Tennessee General Assembly. Some sections may be more current; see credits for details. Pursuant to §§ 1-1-110, 1-1-111, and 1-2-114, the Tennessee Code Commission certifies the final, official version of the Tennessee Code and, until then, may make editorial changes to the statutes. References to the updates made by the most recent legislative session should be to the Public Chapter and not to the T.C.A. until final revisions have been made to the text, numbering, and hierarchical headings on Westlaw to conform to the official text. Unless legislatively provided, section name lines are prepared by the publisher.

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West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
Chapter 27. Hemp
Part 1. General Provisions

T. C. A. § 43-27-106

§ 43-27-106. Enforcement actions for violations

Currentness

(a) When the commissioner or the commissioner's authorized agent finds any cannabis or cannabis product to contain THC concentrations greater than three-tenths of one percent (0.3%) on a dry weight basis, the commissioner may issue either a written stop movement order or written destruction order for the plant or product, as appropriate to best serve the public interest and purpose of this chapter.

(b) Any person who negligently violates this chapter or rules promulgated under this chapter is subject to administrative action by the department including denial or revocation of any license issued under this chapter; issuance of stop movement orders, destruction orders, and civil penalties; and actions for injunction. Negligent violations of this chapter or rules promulgated under this chapter shall not be the basis for criminal prosecution of any person.

(c) Any person who violates this chapter or rules promulgated under this chapter with a culpable mental state greater than negligence shall be subject to prosecution under any applicable state or federal law. If the department determines that a person has violated this chapter or rules promulgated under this chapter with a culpable mental state greater than negligence, the department shall report the matter to the Tennessee bureau of investigation and the United States attorney general.

(d) In all proceedings brought to enforce this chapter, proof of testing consistent with rules promulgated under this chapter showing THC concentrations greater than three-tenths of one percent (0.3%), but not greater than one percent (1.0%), on a dry weight basis is prima facie evidence of a negligent violation of this chapter.

(e) In all proceedings brought to enforce this chapter, the following are prima facie evidence of violation with a culpable mental state greater than negligence:

(1) Proof of testing consistent with rules promulgated under this chapter showing THC concentrations greater than one percent (1.0%) on a dry weight basis;

(2) Three (3) violations within a five-year period for possession of rooted hemp without a valid license issued by the department;
or

(3) Violation of any stop movement or destruction order issued under this chapter.

(f) Any person whose license is revoked for violation of this chapter or rules promulgated under this chapter is ineligible for reissuance of the license for a period of at least five (5) years.

(g) It is an exception to the application of this section that the only cannabis with a THC concentration greater than three-tenths of one percent (0.3%) on a dry weight basis in the person's possession was hemp concentrate and the person was transporting the hemp concentrate within this state from the location where the hemp concentrate was produced to a location where the hemp concentrate was to be reconstituted into consumer products with a THC concentration of not more than three-tenths of one percent (0.3%); provided, however, that the person transporting the hemp concentrate under this subsection (g) must maintain proof of a grower's license from the department in the transport vehicle.

Credits

2019 Pub.Acts, c. 87, § 12, eff. April 4, 2019; 2022 Pub.Acts, c. 907, § 3, eff. April 22, 2022.

T. C. A. § 43-27-106, TN ST § 43-27-106

Current with effective legislation through the 2025 First Regular Session of the 114th Tennessee General Assembly. Some sections may be more current; see credits for details. Pursuant to §§ 1-1-110, 1-1-111, and 1-2-114, the Tennessee Code Commission certifies the final, official version of the Tennessee Code and, until then, may make editorial changes to the statutes. References to the updates made by the most recent legislative session should be to the Public Chapter and not to the T.C.A. until final revisions have been made to the text, numbering, and hierarchical headings on Westlaw to conform to the official text. Unless legislatively provided, section name lines are prepared by the publisher.

West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
Chapter 27. Hemp
Part 1. General Provisions

T. C. A. § 43-27-107

§ 43-27-107. Enforcement proceedings; where filed

Currentness

When the commissioner has reason to believe that a person is causing or has caused a violation of this chapter or the rules promulgated under this chapter, the commissioner may initiate proceedings in either the chancery court of Davidson County or the chancery court of the county where the violation occurred, for injunctive relief to prevent the continuance of the violation or to correct the conditions resulting in the violation.

Credits

2019 Pub.Acts, c. 87, § 12, eff. April 4, 2019.

T. C. A. § 43-27-107, TN ST § 43-27-107

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West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
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T. C. A. § 43-27-108

§ 43-27-108. No exemption from enforcement of other statutes and rules

Currentness

This chapter does not exempt any person from enforcement of statutes and rules applicable to particular uses of hemp, including, but not limited to, food safety statutes and rules for distribution of food products; feed statutes and rules for distribution of commercial feed; and seed statutes and rules for distribution of seed.

Credits

2019 Pub.Acts, c. 87, § 12, eff. April 4, 2019.

T. C. A. § 43-27-108, TN ST § 43-27-108

Current with effective legislation through the 2025 First Regular Session of the 114th Tennessee General Assembly. Some sections may be more current; see credits for details. Pursuant to §§ 1-1-110, 1-1-111, and 1-2-114, the Tennessee Code Commission certifies the final, official version of the Tennessee Code and, until then, may make editorial changes to the statutes. References to the updates made by the most recent legislative session should be to the Public Chapter and not to the T.C.A. until final revisions have been made to the text, numbering, and hierarchical headings on Westlaw to conform to the official text. Unless legislatively provided, section name lines are prepared by the publisher.



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KeyCite Red Flag Negative Treatment §§ 43-27-109 to 43-27-113. Repealed by 1989 Pub.Acts, c. 232, § 1

West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
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Part 1. General Provisions

T. C. A. § 43-27-109

§§ 43-27-109 to 43-27-113. Repealed by 1989 Pub.Acts, c. 232, § 1

Currentness

T. C. A. § 43-27-109, TN ST § 43-27-109

Current with effective legislation through the 2025 First Regular Session of the 114th Tennessee General Assembly. Some sections may be more current; see credits for details. Pursuant to §§ 1-1-110, 1-1-111, and 1-2-114, the Tennessee Code Commission certifies the final, official version of the Tennessee Code and, until then, may make editorial changes to the statutes. References to the updates made by the most recent legislative session should be to the Public Chapter and not to the T.C.A. until final revisions have been made to the text, numbering, and hierarchical headings on Westlaw to conform to the official text. Unless legislatively provided, section name lines are prepared by the publisher.

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West's Tennessee Code Annotated
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T. C. A. § 43-27-110

§§ 43-27-109 to 43-27-113. Repealed by 1989 Pub.Acts, c. 232, § 1

Currentness

T. C. A. § 43-27-110, TN ST § 43-27-110

Current with effective legislation through the 2025 First Regular Session of the 114th Tennessee General Assembly. Some sections may be more current; see credits for details. Pursuant to §§ 1-1-110, 1-1-111, and 1-2-114, the Tennessee Code Commission certifies the final, official version of the Tennessee Code and, until then, may make editorial changes to the statutes. References to the updates made by the most recent legislative session should be to the Public Chapter and not to the T.C.A. until final revisions have been made to the text, numbering, and hierarchical headings on Westlaw to conform to the official text. Unless legislatively provided, section name lines are prepared by the publisher.

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West's Tennessee Code Annotated
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T. C. A. § 43-27-111

§§ 43-27-109 to 43-27-113. Repealed by 1989 Pub.Acts, c. 232, § 1

Currentness

T. C. A. § 43-27-111, TN ST § 43-27-111

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KeyCite Red Flag Negative Treatment §§ 43-27-109 to 43-27-113. Repealed by 1989 Pub.Acts, c. 232, § 1

West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
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T. C. A. § 43-27-112

§§ 43-27-109 to 43-27-113. Repealed by 1989 Pub.Acts, c. 232, § 1

Currentness

T. C. A. § 43-27-112, TN ST § 43-27-112

Current with effective legislation through the 2025 First Regular Session of the 114th Tennessee General Assembly. Some sections may be more current; see credits for details. Pursuant to §§ 1-1-110, 1-1-111, and 1-2-114, the Tennessee Code Commission certifies the final, official version of the Tennessee Code and, until then, may make editorial changes to the statutes. References to the updates made by the most recent legislative session should be to the Public Chapter and not to the T.C.A. until final revisions have been made to the text, numbering, and hierarchical headings on Westlaw to conform to the official text. Unless legislatively provided, section name lines are prepared by the publisher.

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T. C. A. § 43-27-113

§§ 43-27-109 to 43-27-113. Repealed by 1989 Pub.Acts, c. 232, § 1

Currentness

T. C. A. § 43-27-113, TN ST § 43-27-113

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KeyCite Yellow Flag
Proposed Legislation

West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
Chapter 27. Hemp
Part 2. Products Containing Hemp--Derived Cannabinoid [Repealed]

T. C. A. § 43-27-201

§ 43-27-201. Purpose

Currentness

The purpose of this part is to regulate the sale and distribution of products containing a hemp-derived cannabinoid.

Credits

2023 Pub.Acts, c. 423, § 1, eff. July 1, 2024.

T. C. A. § 43-27-201, TN ST § 43-27-201

Current with effective legislation through the 2025 First Regular Session of the 114th Tennessee General Assembly. Some sections may be more current; see credits for details. Pursuant to §§ 1-1-110, 1-1-111, and 1-2-114, the Tennessee Code Commission certifies the final, official version of the Tennessee Code and, until then, may make editorial changes to the statutes. References to the updates made by the most recent legislative session should be to the Public Chapter and not to the T.C.A. until final revisions have been made to the text, numbering, and hierarchical headings on Westlaw to conform to the official text. Unless legislatively provided, section name lines are prepared by the publisher.

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KeyCite Yellow Flag
Proposed Legislation

West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
Chapter 27. Hemp
Part 2. Products Containing Hemp--Derived Cannabinoid [Repealed]

T. C. A. § 43-27-202

§ 43-27-202. Definitions

Currentness

As used in this part, unless the context otherwise requires:

(1) “Batch” means a single stock keeping unit with common cannabinoid input or a hemp flower of the same varietal and harvested on the same date and manufactured during a defined cycle in such a way that it could be expected to be of a uniform character and should be designated as such;

(2) “Hemp-derived cannabinoid”:

(A) Means:

(i) A cannabinoid other than delta-9 tetrahydrocannabinol, or an isomer derived from such cannabinoid, that is derived from hemp in a concentration of more than one-tenth of one percent (0.1%); or

(ii) A hemp-derived product containing delta-9 tetrahydrocannabinol in a concentration of three-tenths of one percent (0.3%) or less on a dry weight basis;

(B) Includes, but is not limited to:

(i) Delta-8 tetrahydrocannabinol;

(ii) Delta-10 tetrahydrocannabinol;

(iii) Hexahydrocannabinol;

(iv) Tetrahydrocannabiphorol (THCp);

(v) Tetrahydrocannabivarin (THCv); and

(vi) Tetrahydrocannabinolic acid (THCa); and

(C) Does not include:

(i) Cannabichromene (CBC/CBCa/CBCv);

(ii) Cannabicitran (CBT/CBTa);

(iii) Cannabicyclol (CBL/CBLa);

(iv) Cannabidiol (CBD/CBDa/CBDv/CBDp);

(v) Cannabielsoin (CBE/CBEa);

(vi) Cannabigerol (CBG/CBGa/CBGv/CBGm);

(vii) Cannabinol (CBN/CBNa);

(viii) Cannabivarin (CBV/CBVa);

(ix) Hemp-derived feed products allowed under title 44, chapter 6;

(x) Hemp-derived fiber, grain, or topical products; or

(xi) A substance that is categorized as a Schedule I controlled substance on or after July 1, 2023, including a substance that may be identified in subdivision (2)(B);

(3) “Manufacture” means to compound, blend, extract, infuse, cook, or otherwise make or prepare products containing a hemp-derived cannabinoid, including the processes of extraction, infusion, packaging, repackaging, labeling, and relabeling of products containing a hemp-derived cannabinoid;

(4) “Proof of age” means a valid driver license or other government-issued identification card that contains a photograph of the person and confirms the person's age as twenty-one (21) years of age or older;

(5) “Retailer” means a person or entity that sells products containing a hemp-derived cannabinoid for consumption and not for resale;

(6) “Serving” means a quantity of a hemp-derived cannabinoid product reasonably suitable for a single person's daily use; and

(7) “Supplier” means a person or entity that manufactures hemp-derived cannabinoids or sells products containing hemp-derived cannabinoids to retailers.

Credits

2023 Pub.Acts, c. 423, § 1, eff. July 1, 2023.

T. C. A. § 43-27-202, TN ST § 43-27-202

Current with effective legislation through the 2025 First Regular Session of the 114th Tennessee General Assembly. Some sections may be more current; see credits for details. Pursuant to §§ 1-1-110, 1-1-111, and 1-2-114, the Tennessee Code Commission certifies the final, official version of the Tennessee Code and, until then, may make editorial changes to the statutes. References to the updates made by the most recent legislative session should be to the Public Chapter and not to the T.C.A. until final revisions have been made to the text, numbering, and hierarchical headings on Westlaw to conform to the official text. Unless legislatively provided, section name lines are prepared by the publisher.

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KeyCite Yellow Flag
Proposed Legislation

West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
Chapter 27. Hemp
Part 2. Products Containing Hemp--Derived Cannabinoid [Repealed]

T. C. A. § 43-27-203

§ 43-27-203. Offenses

Currentness

(a)(1) It is an offense for a person or entity to engage in the business of manufacturing, producing, or selling products containing a hemp-derived cannabinoid in this state without a valid license required by this part.

(2) A product containing a hemp-derived cannabinoid that is sold or offered for sale in violation of subdivision (a)(1) is subject to seizure and forfeiture pursuant to § 53-11-451.

(b)(1) It is an offense to knowingly sell or distribute a product containing a hemp-derived cannabinoid without having first obtained proof of age from the purchaser or recipient.

(2) It is an offense for a person to knowingly sell or distribute a product containing a hemp-derived cannabinoid to a person who is under twenty-one (21) years of age or to purchase a product containing a hemp-derived cannabinoid on behalf of a person who is under twenty-one (21) years of age.

(3) It is an offense for a person to knowingly assist a person who is under twenty-one (21) years of age to purchase, acquire, receive, or attempt to purchase a product containing a hemp-derived cannabinoid.

(4) It is an offense for a person who is under twenty-one (21) years of age to knowingly purchase, possess, or accept receipt of a product containing a hemp-derived cannabinoid or to knowingly present purported proof of age that is false, fraudulent, or not actually that person's for the purpose of purchasing or receiving a product containing a hemp-derived cannabinoid.

(5) This subsection (b) does not preclude law enforcement efforts involving:

(A) The use of a minor if the minor's parent or legal guardian has consented to this action; or

(B) The use of a person under twenty-one (21) years of age who is not a minor if the individual has consented to this action.

(c) It is an offense to knowingly distribute samples of products containing a hemp-derived cannabinoid in or on a public street, sidewalk, or park.

(d) A violation of this section is a Class A misdemeanor. A person violating subdivision (b)(2) or (b)(3) shall be sentenced to serve in the county jail or workhouse not less than forty-eight (48) consecutive hours nor more than eleven (11) months and twenty-nine (29) days and be fined not less than five hundred dollars (\$500) nor more than two thousand five hundred dollars (\$2,500).

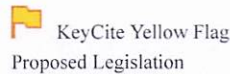
(e) Notwithstanding this part to the contrary and except as provided in § 43-27-205, state and local law enforcement officers have concurrent jurisdiction to enforce violations of this section and § 43-27-204.

Credits

2023 Pub.Acts, c. 423, § 1, eff. July 1, 2023; 2025 Pub.Acts, c. 77, § 1, eff. July 1, 2025.

T. C. A. § 43-27-203, TN ST § 43-27-203

Current with effective legislation through the 2025 First Regular Session of the 114th Tennessee General Assembly. Some sections may be more current; see credits for details. Pursuant to §§ 1-1-110, 1-1-111, and 1-2-114, the Tennessee Code Commission certifies the final, official version of the Tennessee Code and, until then, may make editorial changes to the statutes. References to the updates made by the most recent legislative session should be to the Public Chapter and not to the T.C.A. until final revisions have been made to the text, numbering, and hierarchical headings on Westlaw to conform to the official text. Unless legislatively provided, section name lines are prepared by the publisher.



West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
Chapter 27. Hemp
Part 2. Products Containing Hemp--Derived Cannabinoid [Repealed]

T. C. A. § 43-27-204

§ 43-27-204. Inaccessibility of products in retail establishments

Currentness

(a) As used in this section:

(1) “Counter” means the point of purchase at a retail establishment; and

(2) “Retail establishment” means a place of business open to the general public for the sale of goods or services and does not include a place of business for which entry is limited to persons twenty-one (21) years of age or older.

(b) A product containing a hemp-derived cannabinoid must be maintained behind the counter of a retail establishment in an area inaccessible to a customer or an employee of the retail establishment who is younger than twenty-one (21) years of age. It is unlawful for a retailer to knowingly allow an employee younger than twenty-one (21) years of age to access, handle, or sell any product containing a hemp-derived cannabinoid on the premises of the retail establishment.

(c) A violation of this section is a Class A misdemeanor.

Credits

2023 Pub.Acts, c. 423, § 1, eff. July 1, 2023; 2025 Pub.Acts, c. 77, § 2, eff. July 1, 2025.

T. C. A. § 43-27-204, TN ST § 43-27-204

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Proposed Legislation

West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
Chapter 27. Hemp
Part 2. Products Containing Hemp--Derived Cannabinoid [Repealed]

T. C. A. § 43-27-205

§ 43-27-205. Department responsibilities

Currentness

(a) The department of agriculture is responsible for:

(1) Issuing licenses to suppliers and retailers under this part;

(2) Overseeing the manufacture and distribution of hemp-derived cannabinoid products by licensed suppliers, including ensuring compliance with labeling, product testing, and transportation requirements and conducting necessary inspections, prior to a product's delivery or sale to a retailer; and

(3) Conducting random, unannounced inspections at locations where hemp-derived cannabinoids and products containing hemp-derived cannabinoids are manufactured, distributed, or sold to ensure compliance with this part.

(b) The department of revenue:

<Subsec. (b)(1) is effective July 1, 2023, for purposes of requiring the department of revenue to ensure that retailers are in compliance with applicable tax provisions.>

(1) Is responsible for ensuring retailers are in compliance with this part and applicable tax provisions under title 67, including § 67-6-232;

(2) Shall enforce this part in a manner that may reasonably be expected to reduce the extent to which non-compliant hemp-derived cannabinoid products are sold and shall conduct random, unannounced inspections at retail locations where such products are sold to ensure compliance with this part. The department of revenue shall determine the frequency of random, unannounced inspections required under this subdivision (b)(2); and

(3) Is authorized to confiscate non-compliant hemp-derived cannabinoid products as contraband in the manner described in title 53, chapter 11. All products that the department of revenue confiscates under this subdivision (b)(3) are subject to seizure and forfeiture pursuant to § 53-11-451.

(c) Each department shall submit an annual report to the general assembly describing in detail the department's compliance and enforcement efforts under this part. The report must also be published and made available to the public on each department's website.

Credits

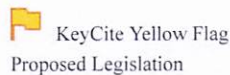
2023 Pub.Acts, c. 423, § 1, eff. July 1, 2023.

T. C. A. § 43-27-205, TN ST § 43-27-205

Current with effective legislation through the 2025 First Regular Session of the 114th Tennessee General Assembly. Some sections may be more current; see credits for details. Pursuant to §§ 1-1-110, 1-1-111, and 1-2-114, the Tennessee Code Commission certifies the final, official version of the Tennessee Code and, until then, may make editorial changes to the statutes. References to the updates made by the most recent legislative session should be to the Public Chapter and not to the T.C.A. until final revisions have been made to the text, numbering, and hierarchical headings on Westlaw to conform to the official text. Unless legislatively provided, section name lines are prepared by the publisher.

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West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
Chapter 27. Hemp
Part 2. Products Containing Hemp--Derived Cannabinoid [Repealed]

T. C. A. § 43-27-206

§ 43-27-206. Licensing

Currentness

(a) A person or entity that is in the business of manufacturing or selling products containing a hemp-derived cannabinoid in this state, including as a supplier or retailer, must obtain a license from the department of agriculture authorizing the person or entity to engage in that business prior to the commencement of business or by July 1, 2024, whichever is later.

(b)(1) In order to obtain and maintain a supplier or retailer license under subsection (a), a person must:

(A) Submit to the department of agriculture information prescribed by rules as necessary for the efficient enforcement of this part;

(B) Pay to the department of agriculture a fee of five hundred dollars (\$500) for supplier or two hundred fifty dollars (\$250) per retailer per location;

(C) Consent to reasonable inspection and sampling by the department of agriculture, or the department of revenue as applicable, of the person's inventory of products containing a hemp-derived cannabinoid; and

(D) Submit to a criminal history background check that includes fingerprint checks against state and federal criminal records maintained by the Tennessee bureau of investigation and the federal bureau of investigation.

(2) A person is not eligible to obtain or maintain a supplier or retailer license while serving a sentence for, or for ten (10) years following the date of conviction for, a drug-related felony offense in any state or federal jurisdiction.

(3)(A) A retail location that is within one thousand feet (1,000') of a private school, public school, or charter school that serves any grades from kindergarten through grade twelve (K-12) shall not sell products containing a hemp-derived cannabinoid, unless the applicant provides the department with documentation that establishes that products containing a hemp-derived cannabinoid were being offered for sale at retail at such location on December 31, 2023.

(B) The department shall accept business records, photographs, and video recordings as documentation for purposes of determining whether an applicant qualifies for the exception in subdivision (b)(3)(A).

(C) For the purposes of subdivision (b)(3)(A), measurements shall be made in a straight line in all directions, without regard to intervening structures or objects, from the nearest point on the property line of a parcel containing a retail establishment to the nearest point on the property line of a parcel containing a private school, public school, or charter school that serves any grades from kindergarten through grade twelve (K-12).

(c) A license issued pursuant to this section is valid for a period of one (1) year and may be renewed annually. The department of agriculture shall charge an annual renewal fee equal to the initial licensing fee.

(d) The department of agriculture is authorized to:

(1) Determine requirements for and issue licenses for the manufacture or sale of products containing a hemp-derived cannabinoid in this state; and

(2) Deny or revoke licenses and issue civil penalties in the following manner for each violation of this part, or a rule promulgated pursuant to this part, as follows:

(A) One thousand dollars (\$1,000) for a first violation;

(B) Two thousand five hundred dollars (\$2,500) for a second violation that occurs within two (2) years of the first violation;

(C) Five thousand dollars (\$5,000) for a third violation that occurs within two (2) years of the first violation;

(D) Revocation of the license for a fourth violation that occurs within two (2) years of the first violation; and

(E) Require retraining of all employees of the licensee under the supervision of the department in addition to the civil penalty imposed pursuant to subdivisions (d)(2)(A)-(C).

(e) The revenue collected from fees established under subdivision (b)(1)(B) must be deposited in the Tennessee agriculture regulatory fund, created by § 43-1-701, and used exclusively for the administration of this part.

Credits

2023 Pub.Acts, c. 423, § 1, eff. July 1, 2024.

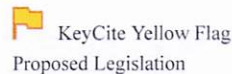
T. C. A. § 43-27-206, TN ST § 43-27-206

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West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
Chapter 27. Hemp
Part 2. Products Containing Hemp--Derived Cannabinoid [Repealed]

T. C. A. § 43-27-207

§ 43-27-207. Testing of products and substances

Currentness

(a) Testing of products and substances must be conducted as follows:

(1) Full-panel testing on all active cannabinoid molecules must be conducted prior to final production of products containing a hemp-derived cannabinoid; and

(2) A potency test must be conducted on finished goods to confirm potency is consistent with stated potency on the packaging.

(b)(1) A supplier or retailer must contract with a third-party laboratory to provide the testing required by subsection (a).

(2) The department of agriculture is authorized to promulgate rules specifying which types of tests may be used to satisfy the requirements of subsection (a) and the qualifications for laboratories from which the department will accept test results.

(c) Each batch manufactured must undergo testing and obtain a certificate of analysis by a third-party laboratory qualified under subsection (b).

(d) The department of agriculture shall:

(1) Promulgate rules specifying pass/fail action levels for safety and toxicity with respect to the testing required by subsection (a);

(2) Maintain and post on its website a registry of testing laboratories that are qualified to test intermediate manufactured material and finished products containing a hemp-derived cannabinoid;

(3) Develop an application and process by which qualifying laboratories are listed on its website. The application submitted by a potentially qualifying laboratory must include a sample certificate of analysis issued by the applying laboratory; and

(4) Sample and analyze products containing a hemp-derived cannabinoid produced, distributed, or offered for sale in this state for cannabinoid concentrations, tested according to protocols prescribed by rule under this part. Departmental testing methods must employ liquid chromatography tandem mass spectrometry, in a manner similarly reliable to post-decarboxylation, to determine a cannabinoid profile of samples tested, including their THC concentrations.

Credits

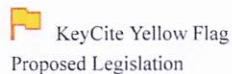
2023 Pub.Acts, c. 423, § 1, eff. July 1, 2024.

T. C. A. § 43-27-207, TN ST § 43-27-207

Current with effective legislation through the 2025 First Regular Session of the 114th Tennessee General Assembly. Some sections may be more current; see credits for details. Pursuant to §§ 1-1-110, 1-1-111, and 1-2-114, the Tennessee Code Commission certifies the final, official version of the Tennessee Code and, until then, may make editorial changes to the statutes. References to the updates made by the most recent legislative session should be to the Public Chapter and not to the T.C.A. until final revisions have been made to the text, numbering, and hierarchical headings on Westlaw to conform to the official text. Unless legislatively provided, section name lines are prepared by the publisher.

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West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
Chapter 27. Hemp
Part 2. Products Containing Hemp--Derived Cannabinoid [Repealed]

T. C. A. § 43-27-208

§ 43-27-208. Required documentation when transporting

Currentness

(a) Except as provided in subsection (b), a person transporting products containing a hemp-derived cannabinoid into, within, or through this state shall carry:

(1) Documentation sufficient to prove that the products being shipped or transported:

(A) Were produced from hemp that was lawfully produced under a state or tribal hemp plan approved by the United States department of agriculture, under a hemp license issued by the United States department of agriculture, or otherwise in accordance with federal regulations through the state or territory of the Indian tribe, as applicable; and

(B) Do not exceed the cannabinoid limits for hemp-derived cannabinoids; and

(2) A bill of lading that includes:

(A) Name and address of the owner of the products;

(B) Point of origin;

(C) Point of delivery, including name and address;

(D) Kind and quantity of packages or, if in bulk, the total quantity of products in the shipment; and

(E) Date of shipment.

(b) Subsection (a) does not apply to a person in possession of products containing a hemp-derived cannabinoid that were purchased from a retailer that is licensed under this part.

Credits

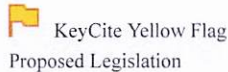
2023 Pub.Acts, c. 423, § 1, eff. July 1, 2024.

T. C. A. § 43-27-208, TN ST § 43-27-208

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West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
Chapter 27. Hemp
Part 2. Products Containing Hemp--Derived Cannabinoid [Repealed]

T. C. A. § 43-27-209

§ 43-27-209. Packaging

Currentness

(a) A product containing a hemp-derived cannabinoid that is sold at retail must:

(1) Satisfy the child-resistant effectiveness standards under 16 CFR 1700.15(b)(1) when tested in accordance with the requirements of 16 CFR 1700.20; and

(2) Be labeled with:

(A) A list of ingredients and possible allergens and a nutritional fact panel;

(B) A warning statement concerning the risk of impairment from consumption of the product, keeping the product out of the reach of children, and other warning information as required by rule of the department of agriculture;

(C) If the product is ingestible, the amount of cannabinoid in each serving of the product, measured in milligrams;

(D) The total amount of hemp-derived cannabinoid in the entire package, measured in milligrams;

(E) The net weight of the product;

(F) A quick response (QR) code that can be scanned to access a website providing the product's batch number, date received, date of completion, method of analysis for the testing report required under § 43-27-207, including information regarding results of the product's full-panel and potency tests conducted pursuant to § 43-27-207(a); and

(G) An expiration date.

(b) A person who obtains a product containing a hemp-derived cannabinoid that is sold at retail shall store any unconsumed portion of the product in its original packaging. It is a Class C misdemeanor offense for a person to violate this subsection (b).

(c) A retailer or supplier of a product containing a hemp-derived cannabinoid shall not advertise, market, or offer for sale a product containing a hemp-derived cannabinoid by using, in the labeling or design of the product or product packaging or in advertising or marketing materials for the product trade dress, trademarks, branding, or other related imagery or scenery that depicts or signifies characters or symbols known to appeal primarily to persons under twenty-one (21) years of age, including, but not limited to, superheroes, comic book characters, video game characters, television show characters, movie characters, and unicorns or other mythical creatures.

(d) An ingestible product containing a hemp-derived cannabinoid shall not:

(1) Be sold in a serving that contains more than twenty-five (25) milligrams, in the aggregate, of one (1) or more hemp-derived cannabinoids; or

(2) Be formed into the shape of an animal or cartoon character.

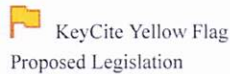
(e) The department of agriculture is authorized to promulgate rules for the packaging, labeling, and display of products containing a hemp-derived cannabinoid that are offered for sale in this state.

Credits

2023 Pub.Acts, c. 423, § 1, eff. July 1, 2024.

T. C. A. § 43-27-209, TN ST § 43-27-209

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West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
Chapter 27. Hemp
Part 2. Products Containing Hemp--Derived Cannabinoid [Repealed]

T. C. A. § 43-27-210

§ 43-27-210. Exemptions

Currentness

(a) This part does not permit a person to:

(1) Undertake any task under the influence of a hemp-derived cannabinoid when doing so would constitute negligence or professional malpractice; or

(2) Operate, navigate, or be in actual physical control of a motor vehicle, aircraft, motorized watercraft, or any other vehicle while under the influence of a hemp-derived cannabinoid.

(b) This part does not require:

(1) An employer to accommodate the use of a hemp-derived cannabinoid in a workplace or an employee working while under the influence of a hemp-derived cannabinoid;

(2) An individual or establishment in lawful possession of property to allow a guest, client, customer, or other visitor to use a hemp-derived cannabinoid on or in that property; or

(3) An individual or establishment in lawful possession of property to admit a guest, client, customer, or other visitor who is impaired as a result of the person's use of a hemp-derived cannabinoid.

(c) This part does not exempt a person from prosecution for a criminal offense related to impairment or intoxication resulting from use of a hemp-derived cannabinoid or relieve a person from any requirement under law to submit to a breath, blood, urine, or other test to detect the presence of a controlled substance.

(d) This part does not:

(1) Limit the ability of an employer to establish, continue, or enforce a drug-free workplace program or policy;

(2) Create a cause of action against an employer for wrongful discharge or discrimination; or

(3) Allow the possession, sale, manufacture, or distribution of any substance that is otherwise prohibited by title 39, chapter 17, part 4.

Credits

2023 Pub.Acts, c. 423, § 1, eff. July 1, 2024.

T. C. A. § 43-27-210, TN ST § 43-27-210

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KeyCite Yellow Flag
Proposed Legislation

West's Tennessee Code Annotated
Title 43. Agriculture and Horticulture
Chapter 27. Hemp
Part 2. Products Containing Hemp--Derived Cannabinoid [Repealed]

T. C. A. § 43-27-211

§ 43-27-211. Rules

Currentness

The departments of agriculture and revenue are authorized to promulgate rules to effectuate this part in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

Credits

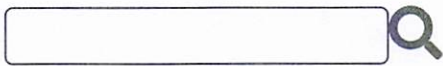
2023 Pub.Acts, c. 423, § 1, eff. July 1, 2024.

T. C. A. § 43-27-211, TN ST § 43-27-211

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Latest Publication: October 2025

TENNESSEE **Town & City**

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Published on: 09/19/2025

TABC outlines hemp law changes for city leaders



Changes to Tennessee's hemp law have altered what hemp-based products can be sold, who can sell them, and switched licensing to control of the Tennessee Alcoholic Beverage Commission (TABC).

By KATE COIL

Following the Tennessee General Assembly's overhaul of the state's hemp regulations, officials are working to familiarize local leaders and law enforcement agencies in advance of the new law taking effect.

Russell F. Thomas, executive director of the Tennessee Alcoholic Beverage Commission (TABC), explained how the new law, Public Chapter 526, will impact the sale and distribution of hemp-derived cannabinoid (HDC) products, as well as well as new rules for licensing, regulation, and enforcement at TML's 85th Annual Conference in Chattanooga.

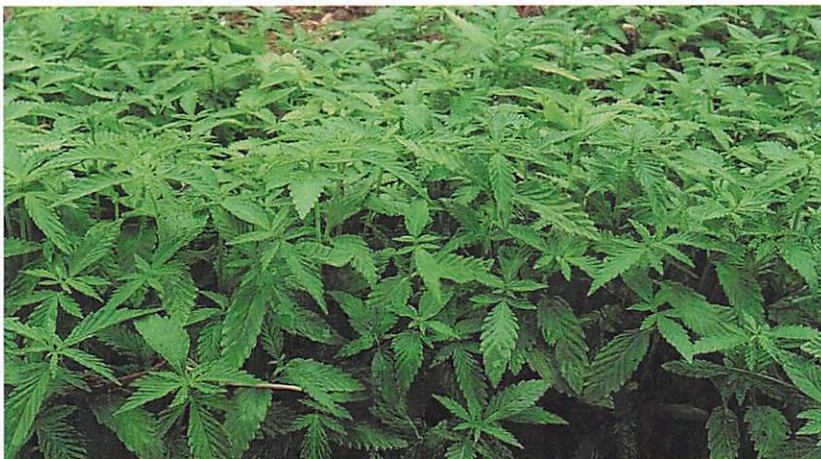


Russell F. Thomas
TABC Executive Director

"If your city has questions or headaches about these products showing up in your local stores, you are not alone," Thomas said. "We in Tennessee over the past few years have been through a patchwork of laws, definitions, new products coming up every day, and enforcement gaps. I am here to tell you today that the landscape is changing in Tennessee."

HOW WE GOT HERE

Hemp and marijuana both come from the cannabis plant. Thomas said tetrahydrocannabinol (THC) content determines whether something is classified as hemp or marijuana. The federal government has ruled that products with 0.3% or less THC are classified as hemp while anything above is marijuana.



"The big picture is that hemp is said to have less intoxicating effects than marijuana," Thomas said. "Once hemp became legal, chemists and manufacturers

The cannabis plant is the source of both hemp and marijuana. The amount of THC in the plant at the time of harvesting determines if it is classified as hemp or as marijuana.

realized they could extract or make a wide range of compounds from that plant. All those things

made from that hemp plant are in that category of hemp-derived cannabinoids. That broad category includes things like Delta-8, Delta-10, THCa, and THCP. Cannabidiol (CBD) is a non-intoxicating substance you will find in a lot of wellness products that became popular when some of these restrictions loosened. Delta-9 THC is the primary compound in marijuana.”

Thomas said changes in federal law, the evolution of the hemp industry, and scientific research led to the state revisiting its own laws surrounding hemp, particularly in the last decade. Many of these changes focused the use of hemp for industrial products, particularly with the passage of the federal 2018 Farm Bill and the resulting state legislation in 2019.

Since then, however, a wide variety of HDC products were developed and are now on store shelves. The state created a licensing system for suppliers and retailers in 2023 that sets safety and labeling standards, under the purview of the Tennessee Department of Agriculture (TDA). There were also several lawsuits that contributed to some of the changes to the law in the most recent legislative session.

NEW PROVISIONS

One of the major changes in the law was transferring licensing, regulation, and enforcement over hemp products from TDA to TABC, effective Jan. 1, 2026.

“We are now going to have a regulatory authority that understands intoxicating products and how to keep them in check,” Thomas said. “There will be fewer retailers after Jan. 1 than there are now. At present, these products are sold in a variety of convenience stores across the state. Unless they change their business model to 21 and up and get a retail license, they won’t be able to sell these products. We think that will have the practical effect of cutting down on the number of places that sell these products. The more places there are to police, the harder they are to police.”

The new law requires separate licensing for suppliers, wholesalers, and retailers of HDC products and prohibits the sale of products that exceed a THC

concentration of 0.3% on a dry weight basis.

The new law also limits the sale of HDC products to:

- Businesses holding a TABC retail package store license and a hemp retail license;
- Businesses holding a TABC on-premises consumption license and a hemp retail license; and
- Other establishments that restrict entry to persons 21 years of age or older and hold a hemp retail license.
- Establishments that hold a valid supplier or wholesaler hemp license and obtain a retail license for the same location, provided all statutory and regulatory conditions are met.



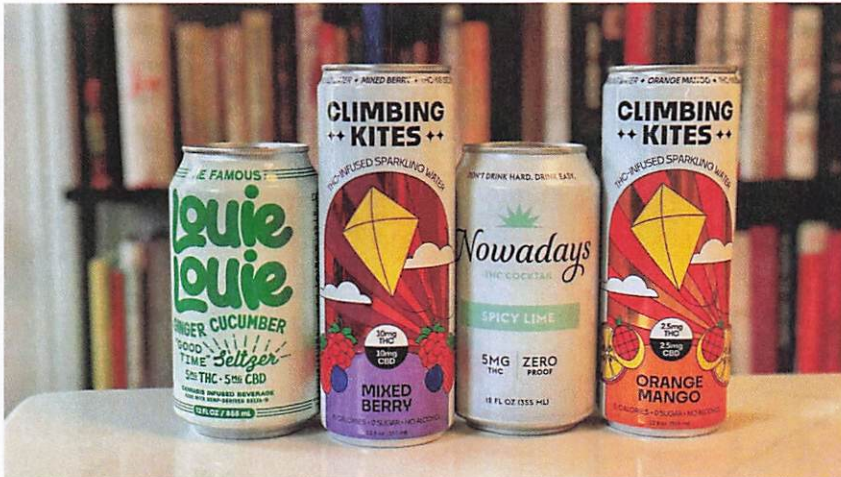
Among the new changes to Tennessee's hemp law include transferring of oversight from the Tennessee Department of Agriculture to the Tennessee Alcoholic Beverage Commission. Additionally, there are also new rules on licensing for suppliers, wholesales, and retailers.

As the new law takes effect in January, but previous licenses issued by the TDA do not expire until June 30, 2026, Thomas said there will be a transitional period for businesses that are already licensed.

To resolve debate over what products are legal in Tennessee, Thomas said the new law does specifically prohibit some products, including:

- Products containing Tetrahydrocannabinol acid (THCa) in a concentration exceeding 0.3% on a dry weight basis.
- All products containing Tetrahydrocannabiphorol (THCp) in any amount.
- Products that do not meet labeling requirements which include an ingredient list, batch number, mandatory warning statements, and a QR code linking to a valid Certificate of Analysis.

“Where it really comes into play with the THCa compound is that if you hold it in your hand or stick it in your mouth, it doesn’t get you high, but with a small amount of heat it can,” Thomas said. “People were buying it and rolling it into a joint, just like traditional marijuana, and when they lit it up, it was stronger than a joint you could buy on the street in the ‘60s and ‘70s.”



Thomas said that beverages are a fast-growing segment of the HDC market. However, not all hemp-based beverages provide the same amount of THC.

Russell said one point of major concern addressed by the new law were hemp-based beverages. Similar to the popular cocktails-in-a-can, these products could sometimes contain as much as 30 milligrams or more of THC, more than a dozen times the intoxicating content of a can of beer. Lawmakers set dosage limits both to regulate the strength of products on the market and because many hemp-based products do not take effect as quickly as alcohol.

“We know that one shot of vodka has more alcohol in it than one shot of beer because beer is lower in strength,” he said. “The legislature looked at that and set some

dosage limits. There are some studies that indicate only about 2.5 milligrams of THC in a drink is equivalent to the alcohol in a beer. They saw some of these drinks on the market that had 30 milligrams of THC or more.”

Another concern is that many HDC products do not take effect as quickly as alcohol or other intoxicants.

“There was a fear that someone would take one of these products with a super serving of THC and wouldn’t feel it for a while,” Thomas said. “So, they would take another one, and then another one, and then in 20 minutes they would be walking naked across the interstate.”

WHERE WE GO FROM HERE

As many in the hemp industry are not satisfied with the new law, Thomas said he anticipates there will be litigation in the future.

“I think the legislature has gone a long way to resolve many issues via statute, but you can’t stop somebody from running to the courthouse and filing a lawsuit,” he said. “Don’t be shocked if you see big headlines or think a court will side with them if you see someone has filed a lawsuit over this. A lot of those suits will probably be over THCa.”

While it did not pass in the previous legislative session, Thomas expects the General Assembly to revive a bill that would allow local government to set certain limits on HCD product retailers. There is another piece of legislation that may be revisited that would allow municipalities to create hemp boards, similar to the beer boards that already exist.

Ultimately, Thomas is optimistic that Tennessee has a comprehensive system in place to regulate hemp.

“We have clearer rules for what products can be sold,” Thomas said. “We have a consistent enforcement tool. When the system is up and running, it should mean we have fewer surprises for police and fewer lawsuits over this stuff. We are truly going to be in a much better place.”

2025 Tennessee Laws Pub. Ch. 526 (H.B. 1376)

TENNESSEE 2025 SESSION LAWS

2025 SESSION OF THE 114th GENERAL ASSEMBLY

Additions and deletions are not identified in this document.

Vetoed are indicated by ~~Text~~ ;

stricken material by ~~Text~~ .

Pub. Ch. 526

H.B. No. 1376

By Representatives Lamberth, Howell, Atchley, Davis, Powers, Sherrell, Leatherwood,
Mitchell, Hardaway, Gant, Hawk, Eldridge, Hale, Capley, Slater, White, Todd, Garrett

Substituted for: Senate Bill No. 1413

By Senators Briggs, Gardenhire

AN ACT to amend Tennessee Code Annotated, Title 39; Title 40; Title 43, Chapter 27; Title 53,
Chapter 11; Title 57 and Title 67, relative to the regulation of hemp-derived cannabinoid products.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

<< Repealed: TN ST §§ 43-27-201, 43-27-202, 43-27-203, 43-27-204, 43-27-
205, 43-27-206, 43-27-207, 43-27-208, 43-27-209, 43-27-210, 43-27-211 >>

SECTION 1. Tennessee Code Annotated, Title 43, Chapter 27, Part 2, is amended by deleting the part.

SECTION 2. Tennessee Code Annotated, Title 57, is amended by creating the following new chapter:

<< TN ST § 57-7-101 >>

§ 57-7-101. Purpose.

The purpose of this chapter is to regulate the sale and distribution of hemp-derived cannabinoid products. It is the intent of general assembly that the manufacture, sale, and distribution of hemp-derived cannabinoid products is strictly prohibited unless specifically provided for in this chapter. In acknowledging that the products regulated in this chapter may be intoxicating, the regulation and control of such products in this state are in the interest of public health and safety through ensuring proper age verification and the state's ability to efficiently enforce the requirements and restrictions contained in this chapter.

<< TN ST § 57-7-102 >>

§ 57-7-102. Chapter definitions.

As used in this chapter, unless the context otherwise requires:

(1) “Batch” means a single stock-keeping unit with common cannabinoid input or a hemp flower of the same varietal and harvested on the same date and manufactured during a defined cycle in such a way that it could be expected to be of a uniform character and should be designated as such;

(2) “Dry weight” means the weight of plant material with a moisture content that does not exceed thirteen percent (13%);

(3) “Hemp-derived cannabinoid”:

(A) Means:

(i) A cannabinoid other than delta-9 tetrahydrocannabinol, or an isomer derived from such cannabinoid, that is derived from hemp in a concentration of more than one-tenth of one percent (0.1%);

(ii) A hemp-derived product containing delta-9 tetrahydrocannabinol in a concentration of not more than three-tenths of one percent (0.3%) on a dry weight basis; or

(iii) A hemp-derived product containing a total THC content or a total theoretical THC content of not more than three-tenths of one percent (0.3%) on a dry weight basis;

(B) Includes, but is not limited to:

(i) Delta-8 tetrahydrocannabinol;

(ii) Delta-10 tetrahydrocannabinol;

(iii) Hexahydrocannabinol; and

(iv) Tetrahydrocannabivarin (THCv); and

(C) Does not include:

(i) Cannabichromene (CBC/CBCa/CBCv);

(ii) Cannabicitran (CBT/CBTa);

(iii) Cannabicyclol (CBL/CBLa);

(iv) Cannabidiol (CBD/CBDa/CBDv/CBDp);

(v) Cannabielsoin (CBE/CBEa);

(vi) Cannabigerol (CBG/CBGa/CBGv/CBGm);

(vii) Cannabinol (CBN/CBNa);

(viii) Cannabivarin (CBV/CBVa);

(ix) Hemp-derived feed products allowed under title 44, chapter 6;

(x) Hemp-derived fiber, grain, or stalk; provided, that the product does not contain a hemp-derived cannabinoid in a concentration of more than three-tenths of one percent (0.3%) on a dry weight basis;

(xi) Tetrahydrocannabinolic acid (THCa) in a concentration greater than three-tenths of one percent (0.3%) on a dry weight basis;

(xii) Tetrahydrocannabiphorol (THCp);

(xiii) A synthetic cannabinoid; or

(xiv) A substance that is categorized as a Schedule I controlled substance on or after July 1, 2023, including a substance that may be identified in subdivision (3)(B);

(4) “Hemp-derived cannabinoid product” or “HDCP”:

(A) Means a product that contains or that is labeled as containing a hemp-derived cannabinoid and that is produced, marketed, or otherwise intended to be ingested orally, inhaled, or absorbed through the skin, including hemp and hemp plant parts, and any product that may contain a hemp-derived cannabinoid that is extracted from hemp plants or hemp plant parts; and

(B) Includes:

(i) Intermediate products intended for subsequent use as a component in a later finished HDCP; and

(ii) Except as excluded under subdivision (3)(C)(x), harvested hemp and hemp plant parts, otherwise known as hemp flower;

(5) “Manufacture” means to compound, blend, extract, infuse, cook, or otherwise make or prepare HDCPs, including the processes of extraction, infusion, packaging, repackaging, labeling, and relabeling of HDCPs;

(6) “Proof of age” means a valid driver license or other government-issued identification card that contains a photograph of the person and confirms the person’s age as twenty-one (21) years of age or older;

(7) “Retailer” means a person or entity that sells, markets, or advertises as a seller, provides samples with or without a fee or charge, or otherwise distributes to the public, with or without compensation, HDCPs for consumption and not for resale;

(8) “Serving” means a quantity of an HDCP reasonably suitable for a single person’s daily use;

(9) “Supplier” means a person or entity that;

(A) Sells HDCPs to wholesalers licensed under this chapter for repackaging and for resale, but not for consumption;

(B) Manufactures hemp-derived cannabinoids or HDCPs; or

(C) Contracts for the manufacture of hemp-derived cannabinoids or HDCPs, whether located inside or outside of this state, and that sells finished, packaged HDCPs to wholesalers licensed under this chapter for resale and not for consumption;

(10) “Synthetic cannabinoid” means a substance with an identical or substantially similar chemical structure to or the pharmacological activity of a cannabinoid, but that is not extracted from hemp or hemp plant parts or derived from hemp or hemp plant parts;

(11) “Tetrahydrocannabinolic acid” or “THCa” is the precursor of delta-9 THC;

(12) “THC” means a tetrahydrocannabinol, tetrahydrocannabinolic acid, a THC component, or any derivative thereof;

(13) “THC component” means a naturally occurring cannabinoid component of industrial hemp or hemp;

(14) “Total THC” means a hemp-derived cannabinoid or a combination of tetrahydrocannabinol, tetrahydrocannabinolic acid, a THC component, or a derivative thereof;

(15) “Total theoretical tetrahydrocannabinol content” or “total theoretical THC content” is the maximum amount of possible delta-9 tetrahydrocannabinol if total conversion were to occur, calculated as the sum of the concentration of delta-9 tetrahydrocannabinol added to the amount of tetrahydrocannabinolic acid after such amount is multiplied by eight hundred seventy-seven thousandths (0.877) on a dry weight basis and reported to two (2) significant figures, and expressed in a mathematical formula as follows:

Total theoretical THC = $([\text{delta 9 THC}] + ([\text{THCa}] \times 0.877))$; and

(16) “Wholesaler” means a person or entity that purchases finished and packaged for consumption HDCPs, not considered intermediate products still in the pre-packaging stage, from suppliers licensed under this chapter, or from other wholesalers licensed under this chapter, and that sells HDCPs for resale and not for consumption.

<< TN ST § 57–7–103 >>

§ 57–7–103. License required for manufacturing, producing, or selling hemp-derived cannabinoid products — Offenses and penalties.

(a)(1) It is an offense for a person or entity to engage in the business of manufacturing, the wholesale distribution of, or selling HDCPs in this state without a valid license required by this chapter.

(2) An HDCP that is manufactured, produced, wholesaled, sold, or offered for sale in violation of subdivision (a)(1) is subject to seizure in the same manner as beer pursuant to chapter 5, part 4 of this title.

(b)(1) It is an offense to knowingly sell or distribute an HDCP without having first obtained proof of age from the purchaser or recipient.

(2) It is an offense for a person to knowingly sell or distribute an HDCP to a person who is under twenty-one (21) years of age or to purchase an HDCP on behalf of a person who is under twenty-one (21) years of age.

(3) It is an offense for a person to knowingly assist a person who is under twenty-one (21) years of age to purchase, acquire, receive, or attempt to purchase an HDCP.

(4) It is an offense for a person who is under twenty-one (21) years of age to knowingly purchase, possess, or accept receipt of an HDCP or to knowingly present purported proof of age that is false, fraudulent, or not actually that person's proof of age for the purpose of purchasing or receiving an HDCP.

(5) For purposes of enforcing this chapter, this subsection (b) does not preclude commission or law enforcement efforts involving:

(A) The use of a minor if the minor's parent or legal guardian has consented to assisting the commission or law enforcement; or

(B) The use of a person under twenty-one (21) years of age who is not a minor if the individual has consented to assisting the commission or law enforcement.

(6) It is an offense to knowingly distribute samples of HDCPs in or on a public street, sidewalk, or park.

(7) It is an offense for a supplier, wholesaler, or retailer to knowingly employ a person under eighteen (18) years of age for the physical manufacture, storage, sale, or distribution of HDCPs, or to knowingly permit any such underage person on the premises of its place of business to engage in the manufacture, storage, sale, or distribution of HDCPs.

(c) A violation of this section is a Class A misdemeanor.

(d) Notwithstanding this chapter to the contrary and except as provided in § 57-7-105, state and local law enforcement officers have concurrent jurisdiction with the commission to enforce violations of this section and § 57-7-104.

<< TN ST § 57-7-104 >>

§ 57-7-104. Maintenance of hemp-derived cannabinoid products in retail establishments — Violations.

(a) As used in this section, “barrier” means the point of purchase having an actual physical separation between HDCPs on display and the consumer at a retail establishment or another designated area of the retail establishment that is inaccessible to the consumer and that requires assistance from a retail clerk in order to access and purchase HDCPs.

(b) HDCPs may be sold at retail in the following locations:

(1) An establishment that limits entry into the premises to individuals who are twenty-one (21) years of age or older;

(2) An establishment that holds a valid license issued by the commission pursuant to § 57-4-102 or § 57-4-201. An establishment that qualifies under this subdivision (b)(2) may only sell HDCPs in a quantity and manner intended for on-premise consumption while present at the establishment in accordance with rules of the commission and subject to state and local laws restricting the use of vape cartridges or hemp or hemp flower in establishments and public places;

(3) An establishment that holds a valid license issued by the commission pursuant to § 57-3-204; or

(4) An establishment owned or leased by a licensee that holds a valid supplier license, wholesale license, and retail license for the same location where HDCPs will be manufactured and sold at retail, or an establishment owned or leased by a licensee that holds a valid supplier license and retail license for the same location where HDCPs will be manufactured and sold, and that has contracted with a wholesale licensee for remitting the tax levied under § 57-7-108 and for the wholesale distribution of the supplier's products. For the products that are manufactured on the supplier's licensed premises and that are sold at retail on the supplier's licensed premises, if all requirements of this section have been met, a supplier is not required to have the products that it manufactures and sells at retail on its licensed premises warehoused by the supplier's contracted wholesale licensee.

(c) Signage must be displayed in all areas where HDCPs are displayed, in a manner to be determined by the commission, clearly advising and warning the consumer that the HDCPs on display may have intoxicating effects and cause impairment. HDCPs may only be displayed in an area of the retail establishment that is constantly visible to a retail licensee employee. An HDCP in this state must not be dispensed by or sold via the use of a self-checkout retail system or vending machine.

(d) An HDCP must be maintained by a retailer behind a barrier unless the HDCP is a hemp-derived cannabinoid beverage product having a minimum container size of twelve (12) fluid ounces or unless the retailer is licensed pursuant to subdivision (b)(1).

(e) A violation of this section is a Class A misdemeanor.

<< TN ST § 57-7-105 >>

§ 57-7-105. Responsibilities of the commission — Responsibilities of the department of revenue — Annual reports.

(a) The commission shall:

(1) Issue licenses to suppliers, wholesalers, and retailers under this chapter;

(2) Oversee the manufacture of HDCPs by licensed suppliers and the distribution of HDCPs by licensed wholesalers, including ensuring compliance with labeling, product testing, and transportation requirements, and conducting necessary inspections of HDCPs and HDCP proof of compliance documentation at the facility of licensed wholesalers in a frequency and in a manner to be determined by the commission, prior to the delivery or sale of HDCPs to a retailer;

(3) Oversee the retail sale of HDCPs by licensed retailers to ensure compliance with this chapter;

(4) Enforce this chapter in a manner that may reasonably be expected to reduce the extent to which noncompliant HDCPs are sold and conducting random, unannounced inspections at locations where HDCPs are manufactured, stored for wholesale distribution, and sold at retail to ensure compliance with this chapter in furtherance of protecting the health and safety of the public. The commission shall determine the frequency of random, unannounced inspections required under this subdivision (a)(4); and

(5) Hire a sufficient number of employees, as determined by the commission, to oversee the day to day operations and management of the supervision and enforcement of this chapter and the rules of the commission. The commission shall establish the salaries of the employees hired under this subdivision (a)(5) and such employees serve at the pleasure of the commission.

(b) The department of revenue:

(1) Shall ensure wholesalers and retailers are in compliance with § 57-7-108 and other provisions of this chapter, as applicable;

(2) Shall, in conjunction with the commission, enforce this chapter in a manner that may reasonably be expected to reduce the extent to which noncompliant HDCPs are sold and shall conduct random, unannounced inspections at wholesale locations where HDCPs are stored for distribution and retail locations where such products are sold to ensure compliance with this chapter. The department of revenue shall determine the frequency of random, unannounced inspections required under this subdivision (b)(2); and

(3) May, in conjunction with the commission, confiscate noncompliant HDCPs as contraband in the manner described in title 57, chapter 5, part 4. All products that the department of revenue confiscates under this subdivision (b)(3) are subject to seizure and forfeiture in the same manner prescribed for beer in §§ 57-5-409 and 57-5-410.

(c) The commission and department of revenue shall submit an annual report to the general assembly describing in detail the commission's and department's compliance and enforcement efforts under this chapter. The report must also be published and made available to the public on the commission's and department's websites, respectively. The report must be submitted and published no later than July 1, 2027, and each July 1 thereafter.

<< TN ST § 57-7-106 >>

§ 57-7-106. License to produce or sell cannabinoid products — License requirements — Prohibited retail locations — Authority of the commission.

(a) A person or entity that is in the business of manufacturing, distributing, or selling HDCPs in this state, including as a supplier, wholesaler, or retailer, must obtain a license from the commission authorizing the person or entity to engage in that business prior to the commencement of business. If a person or entity holds multiple licenses under this chapter, the person or entity shall maintain the business conducted under each license on a separately designated premises or area or in wholly separate facilities in a manner to be determined by the commission by rule.

(b)(1) In order to obtain and maintain a supplier or retailer license under subsection (a), a person or entity must:

(A) Submit to the commission information promulgated by rules as necessary for the efficient enforcement of this chapter;

(B) Pay to the commission:

(i) A non-refundable application fee of five hundred dollars (\$500) per application; and

(ii) Upon approval, an annual license fee of:

(a) For a retailer, one thousand dollars (\$1,000), and an additional annual license fee of one thousand dollars (\$1,000) for each additional location in this state; and

(b) For a supplier, two thousand five hundred dollars (\$2,500), and an additional annual license fee of two thousand five hundred dollars (\$2,500) for each additional location in this state;

(C) Consent to reasonable inspection by the commission and department of revenue, and sampling and testing by the commission, as applicable, of the person's inventory of HDCPs;

(D) Submit to a criminal history background check that includes fingerprint checks against state and federal criminal records maintained by the Tennessee bureau of investigation and the federal bureau of investigation; and

(E) If the supplier is located out of state, remain in compliance with the applicable governing laws, rules, and regulations of the jurisdiction where the supplier is located.

(2) A person is not eligible to hold a direct or indirect interest in a supplier or retailer license while serving a sentence for, or for ten (10) years following the date of conviction of, a drug-related felony offense in any state, territory of the United States, or federal jurisdiction.

(3)(A) An applicant for a license as a retailer with a proposed retail location that is within one thousand feet (1,000') of a private school, public school, or charter school that serves any grade from kindergarten through grade twelve (K–12) shall not sell HDCPs at such location unless the applicant provides the commission with documentation that establishes that HDCPs were being offered for sale at retail at such location on December 31, 2023.

(B) The commission shall accept business records, photographs, and video recordings as documentation for purposes of determining whether an applicant qualifies for the exception in subdivision (b)(3)(A).

(C) For the purposes of subdivision (b)(3)(A), measurements must be made in a straight line in all directions, without regard to intervening structures or objects, from the nearest exterior wall of the proposed licensed establishment to the nearest exterior wall of a building containing a private school, public school, or charter school that serves any grade from kindergarten through grade twelve (K–12).

(4) The shipping of HDCPs directly to a retail licensee in this state or directly to a consumer in this state is strictly prohibited.

(5) All sales of HDCPs and transfers of product from a retailer to consumer must take place at a licensed retail location in a face-to-face transaction. The delivery of HDCPs to consumers, directly or indirectly, is strictly prohibited.

(c) A supplier or retailer license issued pursuant to this section is valid for a period of one (1) year and may be renewed annually. The commission shall charge an annual renewal fee equal to the initial licensing fee.

(d) The commission may:

(1) Determine requirements for and issue licenses for the manufacture or sale of HDCPs in this state; and

(2) Deny or revoke supplier or retailer licenses and issue civil penalties in the following manner for each violation of this chapter, or a rule promulgated pursuant to this chapter:

(A) One thousand dollars (\$1,000) for a first violation;

(B) Two thousand five hundred dollars (\$2,500) for a second violation that occurs within two (2) years of the first violation;

(C) Five thousand dollars (\$5,000) for a third violation that occurs within two (2) years of the first violation;

(D) Revocation of the license for a fourth violation that occurs within two (2) years of the first violation; and

(E) Require retraining of all employees of the licensee under the supervision of the commission in addition to the civil penalties imposed pursuant to subdivisions (d)(2)(A)–(C).

(e) The revenue collected from fees established under subdivision (b)(1)(B) must be deposited with the state treasurer to be earmarked for and allocated to the commission and used exclusively for the administration of this title.

(f)(1) in order to obtain and maintain a wholesaler license under subsection (a), a person or entity shall:

(A) Submit to the commission information included in this subsection (f) and as promulgated by rule of the commission pertaining to warehouse location, security measures, and as necessary for the efficient enforcement of this chapter, including, but not limited to:

(i) Name of the applicant;

(ii) Date of birth of each applicant, or each owner of the applicant, if the applicant is a legal entity;

(iii) Proof of registration or incorporation in this state for an applicant that is a legal business entity authorized to engage in business in this state;

(iv) Contact information for each applicant, including the name of the person legally responsible for each applicant's operations, telephone number, email address, and address of principal place of business;

(v) Address of location to be licensed;

(vi) A detailed description of the square footage and dimensions of the warehouse space, including a description of how the product will be received, inventoried, stored, and packaged, as applicable;

(vii) A detailed description of how records will be stored and kept in a secure manner, and how the applicant will conduct its review of all aspects of the compliance requirements contained in this chapter and as set forth by the commission as it pertains to HDCPs;

(viii) Designation, if applicable, of each authorized representative of the applicant; and

(ix) Other information as required by the commission;

(B) Pay to the commission:

(x) A nonrefundable application fee of five hundred dollars (\$500) per application; and

(xi) Upon approval, an annual license fee of five thousand dollars (\$5,000) per application, per warehouse location;

(C) Consent to reasonable inspection and sampling by the commission or the department of revenue, as applicable, of the person's inventory of HDCPs;

(D) With respect to the person legally responsible for the management of the applicant's operations, submit to a criminal history background check that includes fingerprint checks against state and federal criminal records maintained by the Tennessee bureau of investigation and the federal bureau of investigation; and

(E) Submit proof of the following:

(i) The applicant has secured or is readily able to secure a warehouse located in this state, which meets all local requirements for the applicant's specific use of the property, with a minimum size and dedicated area of one thousand square feet (1,000 sq. ft.) that is not also being used for the cultivation, manufacture, laboratory testing, or the retail sale of hemp, hemp-derived products other than HDCPs, or HDCPs. Other products regulated by the commission or by the applicable local beer board may be stored in the same areas as HDCPs; provided, that all required federal, state, and local licenses, permits, and other requirements are satisfied for the storage of such products;

(ii) Certificate of occupancy or other proof of approval from the local jurisdiction for the applicant's intended use;

(iii) Detailed business plan, including details pertaining to the applicant's investment in the business and the capital required to start the business; and

(iv) Proof that the applicant possesses the financial capacity necessary to engage in the warehousing and distribution of HDCPs in a manner to be determined by the commission, documenting access to a minimum of seven hundred fifty thousand dollars (\$750,000), that must be proven by providing:

(a) Documentation of a bond or line of credit;

(b) Documentation of certified business or personal financial statements, and checking or savings bank statements or statements from money market or brokerage accounts; provided, that funds are readily convertible to cash; or

(c) If an applicant has obtained a loan as proof of financial capacity under subdivision (f)(1)(E)(iv):

(1) Proof of the loan approval from a bank or another insured depository institution or lender deemed acceptable by the commission; or

(2) Proof of the loan approval from a private lender via executed loan documents and sufficient proof of funds in a manner to be determined by the commission; provided, that the private lender and its individual owners or principals must be disclosed in the application as an owner of the applicant.

(2) A person is not eligible to hold a direct or indirect interest in a wholesaler license while serving a sentence for, or for ten (10) years following the date of conviction of, a drug-related felony offense in any state, territory of the United States, or federal jurisdiction.

(3) A wholesaler license issued pursuant to this section is valid for a period of one (1) year and may be renewed annually. The commission shall charge an annual renewal fee equal to the initial licensing fee, unless otherwise determined by the commission.

- (4) Wholesaler licensees must receive preapproval from the commission for any changes in ownership, control, or otherwise of the legal entity of the license holder.
- (5) Wholesaler licensees shall notify the commission of any changes to the contents of their application on file and that do not otherwise require preapproval, as determined by the commission, within thirty (30) days after the change takes place, including any change of contact information or changes to the warehouse premises.
- (6) The commission may deny the issuance or renewal of an application for a wholesaler license for an applicant that has not fully complied with this section.
- (7) Persons who warehouse and distribute HDCPs are subject to all rules of the commission applicable to the type of product sold, including, but not limited to, all applicable federal and state laws, rules, and regulations. HDCPs are excluded from all regulatory exemptions, including, but not limited to, those exemptions prescribed by § 53–1–118.
- (8) The revenue collected from fees established under this subsection (f) must be deposited with the state treasurer to be earmarked for and allocated to the commission and used exclusively for the administration of this title.
- (9) A wholesaler that violates a provision of this chapter is subject to the same penalties as a supplier or retailer under subdivision (d)(2).
- (g) Supplier, wholesaler, and retailer licenses issued under this section are not transferable from person to person or location to location.
- (h) A supplier, wholesaler, and retailer license issued under this section expires in accordance with rules promulgated by the commission establishing a schedule for licensure expiration. An applicant for renewal must submit with the application for renewal the annual license fee, an updated identity history summary, and any other information required by the commission by rule, as applicable.

<< TN ST § 57–7–107 >>

§ 57–7–107. Product testing requirements — Commission maintenance of list of qualified testing laboratories.

(a) Testing of products and substances must be conducted as follows:

- (1) Full-panel testing on all active cannabinoid molecules must be conducted prior to final production of HDCPs; and
 - (2) A potency test must be conducted on finished goods to confirm potency is consistent with stated potency on the packaging.
- (b)(1) A supplier must contract with a third-party laboratory to provide the testing required by subsection (a). Such laboratory may be located within or outside of this state; provided, that the laboratory is certified for testing by the commission.
- (2) A supplier shall certify to the commission that all HDCPs provided by the supplier are in compliance with all requirements of this chapter. The manner of certification may be established by rule of the commission.
- (3) The commission is authorized to promulgate rules specifying which types of tests may be used to satisfy the requirements of subsection (a) and the qualifications for laboratories from which the commission will accept test results.

(c) Each batch manufactured must undergo testing and obtain a certificate of analysis by a third-party laboratory qualified under subsection (b).

(d) The commission shall:

(1) Promulgate rules specifying pass and fail action levels for safety and toxicity with respect to the testing required by subsection (a);

(2) Maintain and post on its website a registry of testing laboratories that are qualified to test intermediate manufactured material and finished HDCPs;

(3) Develop an application and process by which qualifying laboratories are listed on the commission's website. The application submitted by a potentially qualifying laboratory must include a sample certificate of analysis issued by the applying laboratory; and

(4) Sample and analyze HDCPs produced, distributed, and offered for sale in this state for cannabinoid concentrations, tested according to protocols promulgated by rule of the commission. Commission testing must be conducted by post-decarboxylation to determine a cannabinoid profile of samples tested, including their THC concentrations. As used in this subdivision (d)(4), "post-decarboxylation" means the quantification by percentage of the resulting tetrahydrocannabinol of a sample if carboxyl groups are removed from all molecules containing tetrahydrocannabinol within the sample.

<< TN ST § 57–7–108 >>

§ 57–7–108. Wholesale tax levy—Enforcement—Disposition of collections.

(a)(1) Except as provided in subdivision (a)(2), there is imposed a tax upon the sale of HDCPs at wholesale in the amount of two cents (20) per milligram of hemp-derived cannabinoid in each HDCP sold at wholesale in this state based upon the most recent HDCP lab test results provided to the wholesaler by the supplier pursuant to § 57–7–107(a)(2).

(2)(A) There is imposed a tax upon the sale of HDCPs at wholesale in the form of hemp plant parts or hemp flower in the amount of fifty dollars (\$50.00) per one (1) ounce of weight.

(B) There is imposed a tax upon the sale of HDCPs at wholesale in liquid form in the amount of four dollars and forty cents (\$4.40) per gallon of liquid HDCP, or at a proportional rate if the liquid HDCP is sold or distributed in a container in which the volume is not measured by gallonage.

(b) The tax imposed under subdivisions (a)(1) and (2) must be paid monthly by the wholesaler upon the amount of milligrams of hemp-derived cannabinoid or weight of hemp plant parts or hemp flower, as applicable, sold by the wholesaler during the preceding month to the department of revenue.

(c) For the purpose of enforcing this chapter and ascertaining the amount of tax due under this section, each wholesaler shall, on or before the twentieth day of each month, file a report with the commissioner upon forms prescribed, prepared, and furnished by the commissioner showing information relative to sales and disposition of all HDCPs for the preceding calendar month and such other related information as the commissioner may require.

(d) All moneys collected under this section must be turned over to the state treasurer for deposit. Eighty percent (80%) must be deposited into the state general fund. Ten percent (10%) must be deposited into a special account in the state general fund to be appropriated for use by the commission. Of such amount allocated to the commission, at least fifty percent (50%) must be used for the administration and enforcement of this chapter, and not more than fifty percent (50%) may be used for the

administration and enforcement of this title. Ten percent (10%) must be deposited into a special account in the state general fund to be appropriated for use by the department of revenue in the administration and enforcement of this chapter. Unused funds remaining in the special accounts for use by the commission and department at the end of the fiscal year must revert to the state general fund.

<< TN ST § 57–7–109 >>

§ 57–7–109. Transportation of hemp-derived cannabinoid products — Required documentation — Exceptions.

(a) Except as provided in subsection (b), a person transporting HDCPs into, within, or through this state shall carry:

(1) Documentation sufficient to prove that the products being shipped or transported:

(A) Were produced from hemp that was lawfully produced under a state or tribal hemp plan approved by the United States department of agriculture, under a hemp license issued by the United States department of agriculture, or otherwise in accordance with federal regulations through the state or territory of the Indian tribe, as applicable; and

(B) Do not exceed the cannabinoid limits for hemp-derived cannabinoids; and

(2) A bill of lading that includes:

(A) Name and address of the owner of the products;

(B) Point of origin;

(C) Point of delivery, including name and address;

(D) Kind and quantity of packages or, if in bulk, the total quantity of products in the shipment; and

(E) Date of shipment.

(b) Subsection (a) does not apply to a person in possession of HDCPs that were purchased from a retailer that is licensed under this chapter.

<< TN ST § 57–7–110 >>

§ 57–7–110. Safety requirements for hemp-derived cannabinoid products — Proper storage by consumer — Prohibited advertising.

(a)(1) Except as provided in subdivisions (a)(2)–(5), an HDCP that is sold at retail must:

(A) Satisfy the child-resistant effectiveness standards under 16 CFR 1700.15(b)(1) when tested in accordance with the requirements of 16 CFR 1700.20;

(B) Be packaged in a single package or container that contains no more than the milligram equivalent of twenty (20) servings, or three hundred (300) milligrams of hemp-derived cannabinoids, in the aggregate, in a manner to be determined by the commission by rule; and

(C) Be labeled with:

(i) A list of ingredients and possible allergens and a nutritional fact panel;

- (ii) A conspicuous warning statement having a minimum font size of eleven-point font concerning the risk of impairment from consumption of the product, keeping the product out of the reach of children, and other warning information as required by rule of the commission;
- (iii) If the product is ingestible or inhalable in cartridge form, the amount of hemp-derived cannabinoid in each serving of the product, measured in milligrams;
- (iv) The total amount of hemp-derived cannabinoid in the entire package, measured in milligrams;
- (v) The net weight of the product;
- (vi) A quick response (QR) code that can be scanned to access a website providing the product's batch number, date received, date of testing completion, and method of analysis for the testing report required under § 57-7-107, including information regarding results of the product's full-panel and potency tests conducted pursuant to § 57-7-107(a);
- (vii) An expiration date; and
- (viii) For hemp plant parts or hemp flower, the percentages and identity of each hemp-derived cannabinoid present in the HDCP.

(2) For HDCP beverage products, if the HDCP:

- (A) Is a beverage product other than such product described in subdivision (a)(2)(B), the container must utilize a traditional pull-tab, an aluminum can device currently approved for soft drinks and malt beverages, or a screw-top or cork-style cap used for containers of wine and other alcoholic beverage products; or
- (B) Is in a container with a volume equal to or less than seven hundred fifty milliliters (750 ml) and contains more than one (1) serving, the container must be resealable in a manner to support multi-day use,

(3) For HDCPs in cartridge form, the HDCP must be packaged in a single cartridge that contains not more than forty (40) servings, not to exceed five hundred (500) milligrams per cartridge.

(4) For hemp plant parts and hemp flower, the HDCP must be packaged in a single package or container that contains not more than one-half (0.5) of an ounce by weight of HDCP, regardless of the milligram content of hemp-derived cannabinoids in such hemp plant parts or hemp flower.

(5) For HDCPs in the form of a smokeless pouch that contains a hemp-derived cannabinoid for ingestion or absorption, be sold in a single container or tin that contains no more than fifteen (15) pouches, and no more than six (6) milligrams of hemp-derived cannabinoids per pouch.

(b) A person who obtains an HDCP that is sold at retail shall store any unconsumed portion of the product in its original packaging. It is a Class C misdemeanor offense for a person to violate this subsection (b).

(c) A retailer or supplier of an HDCP shall not advertise, market, or offer for sale an HDCP by using, depicting, or signifying, in the labeling or design of the product or product packaging, or in advertising or marketing materials for the product, trade dress, trademarks, branding, or other related product imagery or scenery, characters, or symbols known to appeal primarily to persons under twenty-one (21) years of age, including, but not limited to, superheroes, comic book characters, video game characters, television show characters, movie characters, or unicorns or other mythical creatures.

(d) An HDCP mixed or infused with, or otherwise used as an ingredient in, beer or alcoholic beverages, must not be manufactured, sold, provided, or served to a consumer in this state and is otherwise strictly prohibited.

(e) An HDCP must not be labeled or otherwise marketed to make any health-related claims, including, but not limited to, claims pertaining to diagnoses, cures, or mitigation or treatment of any human disease or other condition.

(f) Except as provided in subdivisions (a)(2)–(5), an ingestible HDCP containing a hemp-derived cannabinoid must not:

(1) Be sold in a serving that contains more than fifteen (15) milligrams, in the aggregate, of one (1) or more hemp-derived cannabinoids;

(2) If the HDCP is a hemp-derived cannabinoid beverage product, be sold:

(A) Except as provided in this subdivision (f)(2), in a container that contains more than two (2) servings;

(B) In a container with a volume greater than seven hundred fifty milliliters (750 ml), unless the container is a standard fifteen- and one-half gallon (15.5 gal.) keg container or a seven- and three-fourths gallon (7.75 gal.) keg container of HDCP beverage product for wholesale sale to a retail licensee only for retail sale in single servings by the glass; or

(C) In a concentration greater than fifteen (15) milligrams of one (1) or more hemp-derived cannabinoids per serving, with the maximum amount of milligrams of hemp-derived cannabinoids per container calculated by multiplying the standard number of servings per type of container by fifteen (15) milligrams; or

(3) Be formed into the shape of an animal or cartoon character.

(g) The commission may promulgate rules for the packaging, labeling, and display of HDCPs that are offered for sale in this state.

<< TN ST § 57–7–111 >>

§ 57–7–111. Limitations on right to use hemp-derived cannabinoid — Rights of others.

(a) This chapter does not permit a person to:

(1) Undertake any task under the influence of a hemp-derived cannabinoid or HDCP when doing so would constitute negligence or professional malpractice; or

(2) Operate, navigate, or be in actual physical control of a motor vehicle, aircraft, motorized watercraft, or any other vehicle while under the influence of a hemp-derived cannabinoid or HDCP.

(b) This chapter does not require:

(1) An employer to accommodate the use of hemp-derived cannabinoids or HDCPs in a workplace or an employee working while under the influence of a hemp-derived cannabinoid or an HDCP;

(2) An individual or establishment in lawful possession of property to allow a guest, client, customer, or other visitor to use a hemp-derived cannabinoid or HDCP on or in that property; or

(3) An individual or establishment in lawful possession of property to admit a guest, client, customer, or other visitor who is visibly impaired as a result of the person's use of a hemp-derived cannabinoid or HDCP.

(c) This chapter does not exempt a person from prosecution for a criminal offense related to impairment or intoxication resulting from use of a hemp-derived cannabinoid or HDCP or relieve a person from any requirement under law to submit to a breath, blood, urine, or other test to detect the presence of a controlled substance.

(d) This chapter does not:

(1) Limit the ability of an employer to establish, continue, or enforce a drug-free workplace program or policy;

(2) Create a cause of action against an employer for wrongful discharge or discrimination; or

(3) Allow the possession, sale, manufacture, or distribution of any substance that is otherwise prohibited by title 39, chapter 17, part 4.

<< TN ST § 57–7–112 >>

§ 57–7–112. Registration requirements for brands—Fees.

(a) As used in this section, “brand” means each category and type of HDCP, as distinguishable to a consumer by supplier, name or trademark, brand or product line name or trademark, delivery system, or another distinction between HDCPs as promulgated by rule of the department of revenue or commission.

(b) Each brand of HDCPs, distinguishable by category, type, and delivery system, must be separately registered with the department of revenue.

(c)(1) A supplier shall not deliver any HDCPs to a wholesaler for distribution in this state unless each HDCP brand is registered by the supplier with the department of revenue.

(2) A wholesaler or retailer shall not place an order for, receive, accept, or offer for sale an HDCP unless the HDCP brand is registered with the department of revenue.

(d) The department of revenue shall prescribe a form for registering an HDCP brand with the department, which must include each wholesaler authorized to distribute the HDCP in this state and each county in this state in which the product is being sold at retail. The department may require a supplier to include with its submission of the registration form any supporting documents as deemed necessary by the department for registration of an HDCP brand.

(e) The department of revenue shall collect from the supplier an annual brand registration fee of three hundred dollars (\$300) per HDCP brand registered with the department.

<< TN ST § 57–7–113 >>

§ 57–7–113. Direct-to-consumer shipping and delivery services unlawful.

(a) It is unlawful for a person or entity:

(1) To ship an HDCP directly to a consumer in this state; or

(2) To utilize a delivery service to deliver an HDCP to a consumer.

(b) A person or entity that violates subsection (a) is subject to a civil penalty levied by the commission of:

- (1) One thousand dollars (\$1,000) for a first offense;
- (2) Five thousand dollars (\$5,000) for a second offense; and
- (3) Ten thousand dollars (\$10,000) for a third or subsequent offense.

(c) This section does not prohibit a person or entity with a license issued under this chapter from shipping an HDCP outside of this state if such shipping of HDCPs is lawful in the jurisdiction in which the shipment is received.

<< TN ST § 57-7-114 >>

§ 57-7-114. Unlawful to manufacture, cultivate, produce, or sell certain cannabinoids.

(a) It is an offense to manufacture, cultivate, produce, or sell in this state:

- (1) Hemp, harvested hemp, hemp plant parts, HDCPs, or another product that contains a total THC content, or a total theoretical THC content, in excess of three-tenths of one percent (0.3%) on a dry weight basis;
- (2) A synthetic cannabinoid, or an HDCP or any other product, which contains a synthetic cannabinoid; or
- (3) A derivative of hemp or an HDCP that contains tetrahydrocannabinol (THCp).

(b) A person who violates subsection (a) commits a Class A misdemeanor.

<< TN ST § 57-7-115 >>

§ 57-7-115. Disclosure of wholesaler and supplier information.

The department of revenue shall make available to the public the identity of the wholesalers and suppliers operating in this state, including, but not limited to, their addresses, brands, and designated territories for which a contract has been registered with the department. Such information may be made available electronically.

<< TN ST § 57-7-116 >>

§ 57-7-116. Authority to promulgate rules.

The commission and department of revenue are authorized to promulgate rules to effectuate this chapter in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

<< TN ST § 57-7-117 >>

§ 57-7-117. Applicability of chapter with conflicting provisions of law.

This chapter governs the manufacturing, distribution, and sale of HDCPs, and to the extent that a provision of this code conflicts with this chapter, the applicable provisions of this chapter prevail. Notwithstanding this chapter, the manufacture, distribution, and sale of HDCPs must comply with all other applicable state laws and rules.

<< Repealed: TN ST § 67–6–232 >>

SECTION 3. Tennessee Code Annotated, Section 67–6–232, is amended by deleting the section in its entirety.

<< TN ST § 57–3–404 >>

SECTION 4. Tennessee Code Annotated, Section 57–3–404(e)(4)(Q), is amended by deleting the subdivision.

SECTION 5. Tennessee Code Annotated, Section 53–11–451, is amended by deleting from subsection (b) the language “forfeiture under title 43, chapter 27, part 2” and substituting “forfeiture or seizure under § 57–7–103(a)(2)”, and is further amended by deleting subdivision (a)(8) and substituting:

<< TN ST § 53–11–451 >>

(8) All products containing a hemp-derived cannabinoid that are manufactured, produced, wholesaled, sold, or offered for sale by a person or entity in violation of § 57–7–103(a)(1).

SECTION 6. Tennessee Code Annotated, Section 39–17–1507(a), is amended by deleting the language:

<< TN ST § 39–17–1507 >>

It is unlawful for any person to sell tobacco, smoking hemp, vapor products, or smokeless nicotine products through a vending machine unless the vending machine is located in any of the following locations:

and substituting:

It is unlawful for a person to sell smoking hemp and hemp derived cannabinoid products through a vending machine. It is unlawful for a person to sell tobacco, vapor products, or smokeless nicotine products through a vending machine unless the vending machine is located in any of the following areas:

SECTION 7. Tennessee Code Annotated, Section 39–17–1509, is amended by deleting the language “smoking hemp,” wherever it may appear, and is further amended by adding the following new subsection (g):

<< TN ST § 39–17–1509 >>

(g) Notwithstanding this part to the contrary, the alcoholic beverage commission and department of revenue have administrative oversight of hemp derived cannabinoid products, including inspections and the assessment of civil penalties, in accordance with title 57, chapter 7.

SECTION 8. Tennessee Code Annotated, Section 57–1–210, is amended by deleting the section and substituting:

<< TN ST § 57–1–210 >>

In addition to the other duties imposed under this title, the commission is authorized to investigate and to arrest any person whom the arresting officer has probable cause to believe is committing or attempting to commit any crime occurring on premises licensed under this title or arising from any investigation of violations under this title whether such violations would be criminal or regulatory in nature or committed within, or outside of, a premises licensed under this title. The commission may issue

subpoenas to compel the attendance of witnesses and the production of relevant books, accounts, records, and documents for the purpose of carrying out the duties of the commission.

SECTION 9. Tennessee Code Annotated, Section 39-17-1802(18), is amended by deleting the subdivision and substituting:

<< TN ST § 39-17-1802 >>

(A) “Smoking” means inhaling, exhaling, burning, or carrying any lighted:

(i) Cigar, cigarette, pipe, or other lighted tobacco product in any manner or in any form; and

(ii) Hemp, hemp flower, or hemp plant part in any manner or in any form;

(B) “Smoking” also means using a vapor product that delivers aerosolized or vaporized nicotine, hemp-derived cannabinoid as defined in § 57-7-102, or any other substance, to the person inhaling from the device;

SECTION 10.

Notwithstanding this chapter to the contrary:

(1) Before January 1, 2026, or until the commission has the capacity to process applications for licensure under this chapter, whichever is later, the department of agriculture shall continue to process and renew HDCP supplier and retail applications and licenses pursuant to § 43-27-205. If such a license is set to expire before January 1, 2026, or such time as the commission has the capacity to process and issue licenses under this chapter, the department shall continue to receive applications and issue licenses, and all such licenses issued by the department must not expire before twelve (12) months from the date of issuance.

(2) A license issued pursuant to subdivision (1) is subject to Tennessee Code Annotated, Title 43, Chapter 27, Part 2, as it existed prior to the effective date of this act, until the expiration of the license in accordance with subdivision (1).

SECTION 11. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end, the provisions of this act are severable.

SECTION 12. The headings in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in any compilation or publication containing this act.

SECTION 13.

(a) For purposes of promulgating rules and carrying out administrative duties necessary to effectuate this act, this act takes effect upon becoming a law, the public welfare requiring it.

(b) For all other purposes, this act takes effect January 1, 2026, the public welfare requiring it.

Approved this 21st day of May, 2025