

TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION

Control 80 Department or Agency Department of Agriculture and Industries

Rule No.: 80-10-21-.19

Rule Title: Processor or Handler Licensing Agreements

\_\_\_\_\_ New X Amend \_\_\_\_\_ Repeal \_\_\_\_\_ Adopt by Reference \_\_\_\_\_

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? Yes

Is there a reasonable relationship between the state's police power and the protection of the public health, safety or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? N/A

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed action relate to or affect in any manner any litigation which the agency is a party to concerning the subject matter of the proposed rule? No

\*\*\*\*\*  
Does the proposed rule have any economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection(f)of Section 41-22-23, Code of Alabama 1975.

\*\*\*\*\*  
Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.

Signature of certifying officer [Signature]

Date: 9-15-21

REC'D & FILED

SEP 16 2021

LEGISLATIVE SVC AGENCY

(DATE FILED)  
(STAMP)

APA-2

ALABAMA DEPARTMENT OF AGRICULTURE AND INDUSTRIES  
Plant Protection

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Department of Agriculture and Industries

RULE NO. & TITLE: 80-10-21-.19 Processor or Handler Licensing Agreements

INTENDED ACTION: To amend rule.

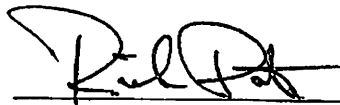
SUBSTANCE OF PROPOSED ACTION: To comply with the United States Department of Agriculture (USDA) 2018 Farm bill Requirements.

TIME, PLACE, MANNER OF PRESENTING VIEWS: Views may be presented in writing to the contact person below or in person on Tuesday, November 9, 2021, at 10:00 a.m., in the auditorium of the Richard Beard Building, 1445 Federal Drive, Montgomery, Alabama, 36117.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE: November 9, 2021.

CONTACT PERSON AT AGENCY: Norman Gunter Guy, Jr., General Counsel, Department of Agriculture and Industries, 1445 Federal Drive, Montgomery, Alabama 36107-1123, Telephone No. (334) 240-7117.

9-15-21  
Date

  
\_\_\_\_\_  
Rick Pate  
Commissioner of Agriculture  
and Industries

**80-10-21-.19 Processor or Handler Licensing Agreements.**

(1) An applicant shall not be a participant in the department's program until the conditionally approved applicant and the department have executed a processor or handler licensing agreement following the applicant's completion of the department's mandatory orientation session. Each licensed processor or handler shall be assigned a department license number in the form prescribed by USDA.

(2) The processor or handler licensing agreement shall establish additional terms and conditions governing participation in the department's program.

(3) The terms and conditions established in the processor or handler licensing agreement shall include, at a minimum, the following requirements for licensed processor or handler:

(a) Acknowledge that licensed processors or handlers are acting as agents of the department and shall comply with instructions from representatives of the department and law enforcement agencies;

(b) Agree to pay a licensing fee in the amount established in these administrative rules;

(c) Consent to entry onto, and inspection of, all premises where hemp or other cannabis materials are located, or licensed to be located, by representatives of the department and law enforcement agencies, with or without cause, with or without advance notice;

(d) Consent to forfeiture and destruction, without compensation, of:

1. Material found to have a measured total delta-9-THC content in excess of zero and three-tenths (0.3) percent on a dry weight basis;

2. Material located in an area that is not licensed by the department; or

3. Material not properly accounted for in required reporting to the department;

(e) Acknowledge that no hemp shall be processed, handled, or stored in any location other than the location listed in the processor or handler licensing agreement;

(f) Acknowledge that licensed processors or handlers shall comply with restrictions established by the department limiting the movement of hemp plants and plant parts;

(g) Acknowledge that the risk of financial or other loss shall be borne solely by the licensed processor or handler;

(h) Agree that any time the hemp is in transit, a copy of the processor or handler licensing agreement shall be available for inspection upon the request of a representative of the department or a law enforcement agency;

(i) Agree to immediately produce a copy of the processor or handler licensing agreement for inspection upon request from a

representative of the department or a law enforcement agency;

(j) Agree to submit reports required by the department or USDA on or before the deadlines established by the department;

(k) Agree to notify the department of any interaction with law enforcement immediately by phone and follow-up in writing within three (3) calendar days of the occurrence; and

(l) Agree to notify the department of any theft of hemp materials.

(4) Failure to agree or comply with terms and conditions established in the processor or handler licensing agreement or this administrative regulation shall constitute grounds for appropriate departmental action, up to and including termination of the license and expulsion from the department's program.

(5) A person who has been expelled from the program is not eligible to reapply to the program for a period of five (5) years from the date of expulsion.

(6) Failure to agree and sign the processor or handler licensing agreement shall terminate conditional approval and no licensing agreement shall be executed.

(7) A licensed processor or handler shall:

(a) Submit to the department an annual criminal background check for the signing authority of record;

(b) Complete a mandatory, annual program orientation session hosted by the department;

(c) Pay annual fees in the amount established in these regulations;

(d) Update all registered addresses, location IDs, and GPS coordinates with the department; and

(e) Agree to comply with the department's program policies as established in these regulations.

(8) The department may deny or revoke any license for good cause shown.

**Author:** N. Gunter Guy, Jr.

**Statutory Authority:** Code of Ala.1975, §2-8-383

**History:** New Rule Filed: August 19, 2020, Effective: November 1, 2020. Filed: