



## **March 2026 Newsletter**

### **Legislative Update**

The countdown continues. We are now less than 226 days away from losing access to most hemp-derived products in the United States. We were hoping the Hemp Planting Predictability Act introduced by Congressman Jim Baird of Indiana would give us two additional years to put in place a regulatory framework, but it didn't even pass committee. We will continue to fight for changes on a federal level, but in the meantime, there is a lot going on at the state level.

*Please help us in issuing a huge thanks to Licensing & Occupations Chairman Matt Koch and Ranking Minority Member Al Gentry in the House and Senate Health Chairman Stephen Meredith and Senator Jimmy Higdon for their countless hours in working on this issue! We know that these aren't perfect, but we have been at the table to work on them to make them as good as we can!*

### **Senate Bill 223 (An Act relating to Cannabis-Infused Beverages)**

Sponsored by Senate Health Chairman Stephen Meredith

Full text of most recent version here:

<https://apps.legislature.ky.gov/recorddocuments/bill/26RS/sb223/bill.pdf>

What it does:

Allows holders of a CIB distributor's license in "wet" territory to:

- Sell and serve CIBs at bars, restaurants, fairs, and festivals
- Give samples of CIBs to no more than 12 ounces per person per day at bars, restaurants, fairs, and festivals - IF you have a sampling license

Allows the department to issue a nonquota CIB license as a supplemental license if it is located in a "wet" territory in a precinct where the sale of alcohol is allowed.

Allow serving CIBs by the drink

Allows the nonquota CIB drink license to be issued as a supplemental license to holders of a:

- Quota retail drink license
- Nonquota type 1 retail drink license
- Nonquota type 2 retail drink license
- Nonquota type 3 retail drink license

- Nonquota type 4 retail drink license
- Special temporary license
- Special Sunday retail drink license
- Caterer's license
- Entertainment destination center license
- Limited restaurant license
- Limited golf course license
- Qualified historic site license

Bans open containers of CIBs in motor vehicles on public highways or right-of-ways of public highways just like alcohol - UNLESS the person in possession of the CIB is strictly a passenger and not the driver of a vehicle used primarily for transport purposes - e.g. buses, taxis, limos, rec vehicles, motor homes, motor coaches, etc.

Unfortunately, it doesn't allow hemp retailers to sell the products without obtaining the additional license that was put into place last year.

Status: In House awaiting assignment to committee

***House Bill 9 (An ACT relating to regulated substances and declaring an emergency)***

Sponsor Matt Koch

You can read it in full here:

<https://apps.legislature.ky.gov/recorddocuments/bill/26RS/hb9/bill.pdf>

What it does for our purposes (the bill has other provisions related to alcohol):

Establishes a state retail regulator license fee on all alcohol and cannabis-infused beverage retailers of 4% of gross receipts.

-You may pass the price of this on to the consumer.

-Requires monthly reporting to Dept. of Revenue (DoR)

Establishes a wholesale regulatory license fee of \$0.016 per milliliter or milligram of THC contained in a CIB for human consumption. This is paid by every:

-Wholesaler

-Distributor

-Manufacturers permitted by DPH

-Direct shipper

Establishes a retail regulatory license fee of \$0.016 per milligram of THC.

-Requires monthly reporting to DoR

Allows city/county legislative bodies to impose a regulatory license fee on gross receipt of the sale of alcohol and CIBs, but that fee can be used as a credit against state regulatory licensing fees.

Establishes language regulating lab testing of hemp-derived cannabinoid products.

- Upgrades state testing lab to test for cannabinoids.

- Establishes an approval process for third-party laboratories to test registered products in the state

- Third-party labs would need to:

- Be accredited under ISO/IEC 17025:2017 standard. Have comprehensive quality systems and validated methods for testing hemp-derived cannabinoids using both GS-MS/ or GC-MS/MS and HPLC-PDA or LC-MS/MS systems.

- Establish standard operating procedures and methodologies for testing that are fit-for-purpose.

- Participate in proficiency testing under ISO/IEC 17043

Removes all current CIB tax structures when this goes into effect July 1, 2027

We do NOT support this as written. It is extremely cumbersome to retailers and puts an undue burden on retailers.

Status: In Senate, awaiting committee assignment

***House Bill 896 (An Act relating to hemp products and declaring an emergency)***

Sponsor Rep. Al Gentry

You can view the full bill here:

[https://apps.legislature.ky.gov/recorddocuments/bill/26RS/hb896/orig\\_bill.pdf](https://apps.legislature.ky.gov/recorddocuments/bill/26RS/hb896/orig_bill.pdf)

This bill is not currently moving, but would protect us from the federal ban if it stays in effect. We hope to continue to work on this issue.

What's Next? There are only a few days to get our best work done, but we are diligently fighting for our industry in the halls of Frankfort. We expect changes to all of these bills before the end of the session, and we will continue to work for a compromise that helps all Kentuckians as we go through these last few days.

Continue to reach out to your lawmakers and have your friends in other states that support hemp to do the same. Share this link: <https://www.usa.gov/elected-officials> to find your local representatives.

We will continue to work closely with our lobbyist to make the Kentucky Hemp Association's voice heard, but we rely solely on donations to pay for our lobbyist. If you can make any donation, it is truly appreciated!

It's easy to donate online: <https://kyhempassociation.org/donations/> or send checks to The Kentucky Hemp Association, 11609 Dawson Springs Rd., Crofton, KY 42217.

If your membership has expired, it's easy to renew!

Renew your membership: <https://kyhempassociation.org/new-member-sign-up/#join>

As always, please reach out with any questions you may have. We truly appreciate our members and supporters! Everyone's efforts help in achieving our goal of moving this industry forward. Email us: [info@kyhempassociation.org](mailto:info@kyhempassociation.org)