

**RULES  
OF  
THE TENNESSEE DEPARTMENT OF AGRICULTURE  
HEMP**

**CHAPTER 0080-10-03  
RETAIL SALE OF HEMP-DERIVED CANNABINOID PRODUCTS**

**TABLE OF CONTENTS**

0080-10-03-.01	Scope	0080-10-03-.05	Records
0080-10-03-.02	Definitions	0080-10-03-.06	Inspections and Testing
0080-10-03-.03	License Application and Fees	0080-10-03-.07	Violations
0080-10-03-.04	Manner of Sale		

**0080-10-03-.01 SCOPE.**

- (1) This chapter applies to any person who sells or offers to sell at retail any HDC product.
- (2) Persons who sell or offer to sell HDC products are subject to all requirements and regulatory authority applicable to the type of product sold, including but not limited to regulation under the Act and this chapter, and T.C.A. title 53, chapter 8, and title 39, chapter 17, part 15, and Tenn. Comp. R. & Regs. 0080-04-09. HDC products are excluded from all regulatory exemptions including but not limited to those afforded under the Food Freedom Act at T.C.A. § 53-1-118.
- (3) The department shall not refund fees for early termination of any license issued under this chapter.
- (4) Licenses under this chapter are not transferable from person to person or location to location.

**Authority:** T.C.A. §§ 4-3-203 and 43-27-211. **Administrative History:** New rules filed September 27, 2024; effective December 26, 2024.

**0080-10-03-.02 DEFINITIONS.**

- (1) Terms in this chapter share those meanings of terms in T.C.A. title 43, chapter 27, parts 1 and 2.
- (2) When used in this chapter, unless the context requires otherwise:
  - (a) Act means T.C.A. §§ 43-27-201, et seq.;
  - (b) Batch, in addition to its definition under the Act, means an individual production lot of manufactured product;
  - (c) Business for which entry is limited to persons twenty-one (21) years of age or older means a legal establishment that affirmatively restricts access to its buildings or facilities at all times to persons who are twenty-one (21) years of age or older by requiring each person who attempts to gain entry to those buildings or facilities to submit for inspection an acceptable form of identification demonstrating by proof of age that the person is twenty-one (21) years of age or older;
  - (d) Cannabis means any plant or any part of a plant of the genera Cannabis and includes hemp;

(Rule 0080-10-03-.02, continued)

- (e) Certificate of Analysis (COA) means a written document from a laboratory approved by the department for testing samples under Tenn. Comp R. & Regs. 0080-10-02, and which communicates the results of those tests performed;
- (f) Commerce or similar words mean involving payment for an item or payment for services incident to production of the item;
- (g) Counter means a physical barrier that necessitates the seller's assistance in order to access product prior to its sale;
- (h) Food means articles used for food or drink for humans or other animals; chewing gum; and articles used for components of food or drink or chewing gum;
- (i) 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 a hemp-derived cannabinoid;
- (j) In a manner similarly reliable to post-decarboxylation means a manner sufficient to quantify by percentage the resulting THC of a sample if carboxyl groups are removed from all molecules containing THC within the sample. A manner similarly reliable to post-decarboxylation is shown by a post-decarboxylation THC value equal to the sum of the sample's THC percentage plus the product of its delta-9 tetrahydrocannabinolic acid (THCa) percentage and 0.877;
- (k) Manufacture, in addition to its definition under the Act, includes any action that transforms cannabis physically or chemically beyond its principal form as a farm product or filters, cleans, or trims that product to isolate any of its particular parts or components;
- (l) Move, transport, or similar words mean to relocate in any manner an item from one real property to another;
- (m) Person means an individual, partnership, corporation, or any other form of legal entity;
- (n) Proof of age means a driver license or other generally accepted means of identification that describes the individual, indicates his or her age, contains a photograph or other likeness of the individual, and appears on its face to be valid. In the case of sales by mail or online orders, proof of age is satisfied by a written, affirmative statement from the addressee that he or she is at least 21 years of age; and,
- (o) Sample means to take material or the material taken from a location where HDC products are sold or offered for sale at retail.

**Authority:** T.C.A. §§ 4-3-203 and 43-27-211. **Administrative History:** New rules filed September 27, 2024; effective December 26, 2024.

#### **0080-10-03-.03 LICENSE APPLICATION AND FEES.**

- (1) An HDC retail license is required per person per location for any person who sells or offers for sale an HDC product at retail. Licensed locations must be fixed address facilities but may include temporary locations such as fairs, flea markets, and farmers markets, provided that

(Rule 0080-10-03-.03, continued)

license fees for temporary locations cannot be prorated on the basis of temporary use. HDC retail licenses are not required for common carriers and delivery services, provided the carrier or service provider is facilitating just-in-time order transactions and is not carrying existing inventory by which to facilitate prospective sales.

- (2) Applicants for an HDC retail license must submit required information on forms provided by the department, which may include:
  - (a) Name of the applicant;
  - (b) Date of birth of any applicant who is an individual or a partner in a general partnership;
  - (c) Proof of registration in its state of incorporation for any applicant that is a formalized business entity;
  - (d) Proof of registration with the Tennessee Department of Revenue;
  - (e) Contact information for applicant, to include name of person legally responsible for applicant's operations, telephone number, email address, and address of principal place of business;
  - (f) Address of location to be licensed;
  - (g) Identification of nearest school serving any grades K-12 and the distance from that school to the location to be licensed, in feet measured as a straight line along the shortest route;
  - (h) A nationwide criminal background check, facilitated through the Tennessee Bureau of Investigation, for the person identified as legally responsible for applicant's operations; and,
  - (i) Other information as required by the department.
- (3) Licensees must notify the department of any changes to the contents of their application on file within 30 days after the change takes place, including any change of contact information;
- (4) Payment of an annual HDC retail license fee of \$250 shall be due upon approval of an application and must be paid in full prior to a license being issued. The license fee may be prorated in the initial year of licensure at the rate of \$25 per each full calendar month remaining in the license period, provided the total fee not exceed \$250. License fees shall not be prorated for any person licensed in the previous licensure year. The HDC retail license fee is waived for any person who also holds an HDC supplier license.
- (5) HDC retail licenses expire on June 30 of the licensing cycle for which they are issued. Applicants for renewal must submit to the department on or before the following July 1 the HDC retail license fee and an updated criminal background check for the licensee.
- (6) The department may deny any application for licensure that is not completed in full or that is not completed in conformance with this rule.

**Authority:** T.C.A. §§ 4-3-203 and 43-27-211. **Administrative History:** New rules filed September 27, 2024; effective December 26, 2024.

**0080-10-03-.04 MANNER OF SALE.**

- (1) HDC retail licensees shall not sell an HDC product to a purchaser unless the purchaser has provided proof of age showing the purchaser to be at least 21 years of age.
- (2) HDC retail licensees may not offer HDC products for sale through use of vending machines or unstaffed kiosks.
- (3) HDC retail licensees may offer HDC products for sale only if the product is maintained behind the counter, i.e. in a location or manner such that physical assistance from the licensee is necessary in order for the customer to access the product. Behind the counter restrictions do not apply to retail licensees that are businesses for which entry is limited to persons twenty-one (21) years of age or older.

**Authority:** T.C.A. §§ 4-3-203 and 43-27-211. **Administrative History:** New rules filed September 27, 2024; effective December 26, 2024.

**0080-10-03-.05 RECORDS.**

- (1) For each HDC product offered for sale, HDC retail licensees shall maintain for two years and readily produce upon request:
  - (a) COAs received from their immediate upstream seller of the product; and,
  - (b) Invoices and bills of lading for the licensee's purchase or receipt of the product.
- (2) For any HDC product rendered unusable or disposed pursuant to this chapter, HDC retail licensees must maintain documentation of the following for two years following disposal:
  - (a) Date(s) and manner(s) in which the product was rendered unusable or disposed;
  - (b) Batch number; and,
  - (c) Total volume of product that was disposed.

**Authority:** T.C.A. §§ 4-3-203 and 43-27-104. **Administrative History:** New rules filed September 27, 2024; effective December 26, 2024.

**0080-10-03-.06 INSPECTIONS AND TESTING.**

- (1) Scope. The department may enter any licensed premises during normal business hours for purposes of inspecting and sampling any cannabis, HDC product, or other material, examining and copying records, and conducting random checks for manner of sale of HDC products as necessary to determine compliance with the Act and this chapter.
- (2) Frequency. The department may conduct inspections as often as necessary to determine compliance with the Act and this chapter.
- (3) Product testing.
  - (a) Upon purchase of HDC products offered for retail sale, the department may sample and test or cause to be sampled and tested the product for compliance with the Act and Tenn. Comp. R. & Regs. 0080-10-02-.04 and .05. Any test result exceeding allowable limits is grounds for embargo, recall, remediation pursuant to provisions applicable under Tenn. Comp. R. & Regs. 0080-10-02-.05, and/or destruction of the batch of HDC product represented by the sample.

(Rule 0080-10-03-.06, continued)

- (b) A sample collected and tested according to departmental protocols is deemed representative of the HDC product batch from which the sample was obtained.

**Authority:** T.C.A. §§ 4-3-203 and 43-27-211. **Administrative History:** New rules filed September 27, 2024; effective December 26, 2024.

**0080-10-03-.07 VIOLATIONS.**

- (1) In addition to other requirements of the Act and this chapter, persons subject to this chapter must:
  - (a) Maintain areas where HDC products are sold, offered for sale, or held for inventory so as to be readily accessible for inspection;
  - (b) Provide adequate lighting necessary for inspection of all HDC products offered or held for retail sale;
  - (c) Provide full access to facilities, inventory, records, and invoices necessary to departmental inspection;
  - (d) Give full information as to the source of any cannabis or HDC product currently or previously held in their possession during the previous two years;
  - (e) Consent to sampling of all HDC product offered or held for retail sale by the licensee; and,
  - (f) Consent to recall of all associated HDC product batches when testing of the product indicates a failure under Tenn. Comp. R. & Regs. 0080-10-02-.04 or .05 or a foodborne outbreak or other illness is causally linked by federal authorities or the department of health to particular HDC product batches.
- (2) In addition to other requirements of the Act and this chapter, persons subject to this chapter must not:
  - (a) Sell or offer for sale HDC products at retail without first securing a license from the department;
  - (b) Sell or offer for sale HDC products at retail, including raw products, unless they meet manufacturing, labeling, and testing requirements under Tenn. Comp. R. & Regs. 0080-10-02;
  - (c) Interfere with an authorized representative of the department in performance of their duties;
  - (d) Violate any federal or state quarantine of plants, regulated articles, or other material; or,
  - (e) Violate any departmental order issued under the Act or this chapter, including but not limited to orders to hold or dispose of HDC product.
- (3) Violation of any workplace safety or environmental protection standard enforced by state or federal authorities is grounds for denial of program inspection and denial or revocation of any license issued by the department.
- (4) A person is responsible for violations of the Act or this chapter when committed by either the person or their agent.

(Rule 0080-10-03-.07, continued)

- (5) Each violation of the Act or this chapter is grounds for issuance of hold or destruction orders for any HDC product held by the violator or their agent, denial or revocation of any license or registration issued by the department, actions for injunction, imposition of civil penalties, and/or pursuit of criminal charges against the violator.

**Authority:** T.C.A. §§ 4-3-203 and 43-27-211. **Administrative History:** New rules filed September 27, 2024; effective December 26, 2024.