

Tennessee Governor Signs Bill Banning THCA, Synthetics

Tennessee Governor Signs Sweeping New Hemp Law That Bans THCA, Synthetic Cannabinoids, Prohibits Online Sales, and Transfers Regulation to Alcoholic Beverage Commission

Tennessee Governor Bill Lee signed House Bill 1376 into law, dramatically altering the legal landscape for the state's hemp industry. The legislation redefines hemp to exclude products containing tetrahydrocannabinolic acid (THCA) and synthetic cannabinoids, effectively banning these popular compounds. Additionally, the law prohibits direct-to-consumer online sales of hemp-derived cannabinoid products (HDCPs) and shifts regulatory authority from the Tennessee Department of Agriculture to the Tennessee Alcoholic Beverage Commission (ABC). These sweeping changes are set to take effect in 2026 and will fundamentally reshape how hemp products are produced, distributed, and sold across the state.

New Restrictions Limit Sales of Hemp Products to Age-Restricted Licensed Establishments and Remove Convenience Store Access

Under the provisions of the new law, sales of hemp-derived cannabinoid products will no longer be permitted in convenience stores, grocery stores, or other general retail outlets. Instead, such sales will be limited to establishments that either restrict entry to persons aged 21 and older or are licensed by the Alcoholic Beverage Commission. This regulatory shift aims to treat HDCPs similarly to alcoholic beverages, instituting tighter controls over their distribution in an effort to promote public health and safety.

The law also imposes strict new regulations on wholesalers and manufacturers of hemp-derived cannabinoid products. The ABC will now oversee licensing, enforcement, and compliance for all businesses involved in the manufacture and sale of these products, marking a significant transfer of power from the agriculture department, which previously held regulatory responsibility.

Industry Leaders Warn of Negative Economic Impact and Monopolization Risks from Alcohol Industry's New Control Over Hemp

The Tennessee hemp industry faces considerable opposition to House Bill 1376 from key stakeholders including the U.S. Hemp Roundtable and the Tennessee Growers Coalition. These groups argue that the legislation amounts to "hemp-killing" measures that will stifle the growth of local farmers and small businesses. They contend that the bill effectively grants the alcohol industry a monopoly on hemp-derived cannabinoid beverages, curtailing competition and innovation in the market.

Opponents also highlight that many Tennesseans depend on hemp products for wellness, especially given the state's limited medical cannabis program. By banning popular compounds like THCA and restricting sales

channels, the law threatens to remove access to important health and wellness options for consumers who currently rely on these alternatives.

The Tennessee Growers Coalition has expressed concern that the legislation is motivated more by liquor industry interests seeking to offset declining alcohol sales than by genuine consumer safety concerns. Critics say the bill represents an opportunistic attempt to capitalize on the booming hemp sector at the expense of everyday Tennesseans who have built their livelihoods around hemp cultivation and sales.

Legal and Scientific Controversies Surround THCA's Status and Federal Definitions of Hemp

Central to the debate over House Bill 1376 is the status of THCA, the non-intoxicating precursor to THC. When heated through a process called decarboxylation, THCA converts into delta-9 THC, the psychoactive compound commonly associated with marijuana's intoxicating effects.

While the federal 2018 Farm Bill legally defines hemp as cannabis plants and derivatives containing less than 0.3% delta-9 THC on a dry-weight basis, it does not explicitly address THCA levels in finished products. This omission has created regulatory ambiguity. Some industry players view THCA as a valuable business opportunity, especially in states like Tennessee that have restrictive cannabis laws but permit industrial hemp cultivation.

Tennessee lawmakers sponsoring the bill have cited concerns over public safety and regulatory clarity, requesting federal guidance on THCA's classification under the Controlled Substances Act (CSA). Letters to the U.S. Department of Justice and the Drug Enforcement Administration (DEA) have emphasized the need to account for THCA in defining hemp, referencing DEA communications stating that THCA converts into delta-9 THC and thus should be treated as a controlled substance.

However, some legal experts argue that this interpretation conflicts with the language of the Farm Bill, which bases hemp legality on pre-harvest plant testing, not the cannabinoid content of finished retail products. This discrepancy has led to conflicting opinions and ongoing legal challenges regarding the permissible levels of THCA and related cannabinoids in hemp-derived goods.

Federal Court Decisions and DEA Rules Add Complexity to Synthetic Cannabinoid Regulations

Alongside THCA, synthetic cannabinoids such as delta-8 THC and THC-O face explicit prohibition under the new Tennessee law. The DEA classifies all synthetically derived tetrahydrocannabinols as Schedule I controlled substances, a position reiterated in its 2020 Interim Final Rule.

Nevertheless, federal appellate courts have challenged the DEA's interpretation in recent years. The Ninth Circuit in 2022 and the Fourth Circuit in 2024 both ruled against the agency's broad classification of synthetic cannabinoids, complicating enforcement and regulatory clarity at the federal level.

These conflicting rulings contribute to the uncertainty surrounding hemp-derived cannabinoids and their legal status, with states like Tennessee moving forward with restrictive legislation despite ongoing federal debates.

State Lawmakers Divided Over Impact on Farmers, Small Businesses, and Consumer Trust

Tennessee state senators representing rural districts have raised concerns about the impact of House Bill 1376 on local hemp farmers, who fear losing markets for their crops due to the tightened restrictions. Questions have been raised about the bill's divergence from federal hemp definitions and whether Tennessee's law unfairly burdens agricultural producers.

Some lawmakers emphasize the principle of state sovereignty in setting cannabis and hemp policies, asserting that Tennessee has the right to establish its own regulatory framework regardless of federal standards.

Conversely, there is criticism over the legislative process, with some senators expressing frustration at the late-stage changes to established hemp definitions. These lawmakers worry that the sudden shift in policy creates uncertainty and undermines the trust of farmers, retailers, and small businesses that have invested in the industry based on prior rules.

Tennessee's New Hemp Law Signals Tougher Controls but Raises Questions About Economic and Regulatory Consequences

With House Bill 1376 now signed into law, Tennessee will impose some of the strictest controls on hemp-derived cannabinoids in the country beginning next year. The ban on THCA and synthetic cannabinoids, the prohibition of online sales, and the transfer of regulatory oversight to the Alcoholic Beverage Commission mark a sharp pivot away from previous agricultural management.

While supporters argue these measures will protect public health and safety by curbing access to intoxicating hemp products, opponents warn that the law threatens to decimate the state's hemp farming community, limit consumer choice, and create a state-sanctioned monopoly benefiting the alcohol industry.

As Tennessee prepares to implement these new rules, the industry and consumer advocates are watching closely to see how the law will affect the state's hemp market, business livelihoods, and access to cannabinoid wellness products.

Email: info@cannabisriskmanager.com | Phone: +415-226-4060

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