

Hemp Product Restrictions Begin in South Dakota July 14

South Dakota Set to Enforce Hemp Law Targeting Synthetic Cannabinoids as State Officials Warn Local Cannabis Businesses of Impending Seizures

Pennington County Issues Compliance Warning to Genesis Farms Ahead of July 14 Crackdown on Chemically Modified Hemp Products

South Dakota is poised to initiate a statewide enforcement effort aimed at eliminating the sale of chemically modified hemp products, with law enforcement prepared to begin seizing noncompliant items on July 14, 2025. This effort stems from House Bill 1125, passed in 2024, which prohibits the manufacture or sale of hemp-derived intoxicants such as delta-8 THC, delta-10 THC, THC-O, and other synthetic cannabinoids.

In a move underscoring the seriousness of this policy shift, the Pennington County State's Attorney's Office—joined by the Rapid City Police Department and the Pennington County Sheriff's Office—sent a formal letter on June 10 to Genesis Farms LLC. This company operates 10 medical cannabis dispensaries across the state, including two in Rapid City, as well as a cultivation and processing facility in Box Elder.

The warning from County Attorney Lara Roetzel, Police Chief Don Hedrick, and Sheriff Brian Mueller called attention to potential violations of the statute and made clear that continued sales of prohibited products could trigger legal consequences. Although it's unknown how many businesses received this type of notice, the warning underscores South Dakota's pivot from education to enforcement.

Law Prohibits Synthesis or Conversion of Cannabinoids but Allows Naturally Occurring Compounds and Topicals

At the core of this enforcement is House Bill 1125, which amends South Dakota Codified Law by prohibiting the conversion of industrial hemp into intoxicating compounds. Specifically, the law makes it illegal for any person or business to:

- Chemically modify industrial hemp or convert cannabidiol (CBD) into psychoactive variants like delta-8 THC, delta-9 THC, or any tetrahydrocannabinol analog or derivative.
- Sell or distribute any hemp products containing synthetic cannabinoids or compounds derived through chemical modification.

However, the law does make important distinctions. Cannabinoids produced via natural decarboxylation (a heat-based process without added chemicals) remain legal. Also permitted are non-intoxicating cannabinoids such as CBD and those used in non-ingestible products like topical creams and balms.

Consumers in South Dakota are still legally allowed to possess such products if purchased from out-of-state online retailers, but any sale or distribution within state lines becomes a prosecutable offense beginning July 14.

Penalties and Enforcement Will Include Product Seizures, Misdemeanor Charges, and Fines

Violations of the law are classified as Class 2 misdemeanors, with penalties of up to 30 days in jail and/or a \$500 fine for each instance. Each individual unit of a noncompliant product could count as a separate offense during a single inspection.

Starting July 14, local and state agencies are expected to conduct inspections and seize any illegal products. According to Roetzel's letter, law enforcement will target each noncompliant package as a separate violation—meaning retailers could face multiple charges in a single enforcement action.

Although the law officially took effect on July 1, 2024, enforcement was delayed to allow time for compliance and clarity. One challenge has been distinguishing between synthetic and natural cannabinoids—a task that often requires laboratory testing.

Push for State and Federal Reform Highlights Broader Concern Over Hemp Product Safety and Regulation

South Dakota's renewed enforcement reflects a broader national debate over synthetic cannabinoids, particularly those sold as edibles, vapes, or other consumer products often branded to look like candy or snacks. In March 2024, Attorney General Marty Jackley joined a coalition of 21 state attorneys general calling on Congress to amend the 2018 Farm Bill, which legalized industrial hemp but left regulatory loopholes.

The coalition expressed concern about the proliferation of intoxicating hemp derivatives sold under misleading branding—especially those that appeal to children. Jackley and others called on Congress to redefine hemp in a way that restricts or bans chemically altered cannabinoids.

The 2018 Farm Bill permits hemp cultivation so long as the plant contains less than 0.3% delta-9 THC by dry weight, but it does not explicitly regulate finished products or restrict derivatives like delta-8. With reauthorization of the bill delayed in both 2023 and 2024, state lawmakers like those in South Dakota have stepped in to fill the gap.

Retailers Must Now Audit Their Inventories and Remove Illegal Hemp Products Before July 14

As South Dakota's July 14 enforcement deadline looms, businesses across the state—particularly those in the cannabis space—must now assess whether their products are legally compliant. The letter from Roetzel emphasized that it is the responsibility of each business owner to fully understand and follow the law, warning that ignorance would not be accepted as an excuse.

Businesses found in violation not only risk fines and possible jail time but also the reputational harm of being targeted in a public enforcement effort.

With law enforcement ready to act, the coming weeks mark a turning point in South Dakota's approach to regulating its growing—and increasingly scrutinized hemp product market.

