

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 5 - 0 - 0

Yeas: Atkinson, Boquist, Hass, Prozanski, Dingfelder

Nays: 0

Exc.: 0

Prepared By: Beth Herzog, Administrator

Meeting Dates: 3/26, 4/14, 4/21

WHAT THE MEASURE DOES: Authorizes the production, possession and commerce in industrial hemp commodities and products. Identifies that industrial hemp is an agricultural product that is subject to regulation by the State Department of Agriculture (Department). Requires that all growers and handlers have an industrial hemp license issued by the Department. Requires that growers and handlers engaged in the production of agriculture hemp seed must have a production permit in addition to the license. Establishes permit application requirements and a three year nontransferable permit length. Authorizes the Department to make an inspection or audit records to ensure compliance. Authorizes the Department to inspect and take composite samples of any industrial hemp crop during the growth phase. Authorizes the Department to detain, seize, or embargo a crop if it contains an average concentration exceeding 0.3 percent of tetrahydrocannabinol on a dry weight basis. Authorizes a grower to retain seeds from each hemp crop to ensure a sufficient supply of seeds the following year. Authorizes the Department to issue agriculture hemp seed production permits. Authorizes the Department to charge growers and handlers a reasonable fee. Authorizes the Department to revoke or refuse to issue an industrial hemp license or an agriculture hemp seed production permit in addition to a civil penalty for violating a permit or license requirement, condition, rule, or order issued by the Department. Limits civil penalty to \$2,500. Excludes industrial hemp or industrial hemp commodities from the definition of marijuana in the Uniform Controlled Substances Act. Directs Department to implement the program only to the extent practicable with no additional cost to the Department.

ISSUES DISCUSSED:

- History of hemp
- Growing conditions and yield expectations
- Importing hemp for production of consumer goods

EFFECT OF COMMITTEE AMENDMENT: Changes the definition of industrial hemp to all nonseed parts and varieties of the cannabis sativa plant that contain a crop wide average that does not exceed 0.3 percent on a dry weight basis of tetrahydrocannabinol. Establishes permit application requirements and a 3 year nontransferable permit length. Directs Department to implement the program only to the extent practicable with no additional cost to the Department.

BACKGROUND: The terms “hemp” and “industrial hemp” refer specifically to varieties of Cannabis sativa characterized by low levels of tetrahydrocannabinol (THC, marijuana’s primary psychoactive chemical) in their leaves and flowers. Hemp fiber is amenable to use in a wide range of products including carpeting, home furnishings, construction materials, auto parts, textiles, and paper. Hemp seed, an oilseed, likewise has many uses, including industrial oils, cosmetics, pharmaceuticals, and food. Currently, more than 30 nations grow industrial hemp as an established agricultural commodity. The United States Drug Enforcement Administration currently determines whether any industrial hemp production authorized under state statute will be permitted. Over 25 states have passed laws calling for hemp economic or production studies.

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This summary has not been adopted or officially endorsed by action of the committee.