

Joint Committee on Ways and Means

Carrier – House: Rep. Jenson
Carriers – Senate: Sen. Nelson and
Sen. Prozanski

Revenue: No revenue impact

Fiscal: Fiscal statement issued

Action: Do Pass the A-Engrossed Measure as Amended and Be Printed B-Engrossed

Vote: 19 – 3 – 0

House

Yeas: Buckley, D. Edwards, Galizio, Gilman, Jenson, Komp, Kotek, Nathanson, Shields, G. Smith

Nays: Garrard, Richardson

Exc:

Senate

Yeas: Bates, Carter, Johnson, Monroe, Nelson, Verger, Walker, Whitsett, Winters

Nays: Girod

Exc:

Prepared By: John Terpening, Legislative Fiscal Office

Meeting Date: June 9, 2009

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 Department of Agriculture (ODA). Requires that all growers and handlers have an industrial hemp license issued by ODA. 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 ODA to make an inspection or audit records to ensure compliance. Authorizes ODA to inspect and take composite samples of any industrial hemp crop during the growth phase. Authorizes ODA 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 ODA to issue agriculture hemp seed production permits. Authorizes ODA to charge growers and handlers a reasonable fee. Authorizes ODA 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 ODA. Limits civil penalty to \$2,500. Excludes industrial hemp or industrial hemp commodities from the definition of marijuana in the Uniform Controlled Substances Act.

ISSUES DISCUSSED:

- Fiscal impact of the measure
- Proposed amendment

EFFECT OF COMMITTEE AMENDMENT: Removes language directing ODA to implement bill with no additional cost, using existing department resources without allocation of department resources.

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.