
SUBSTITUTE HOUSE BILL 1888

State of Washington

63rd Legislature

2013 Regular Session

By House Government Accountability & Oversight (originally sponsored by Representatives Shea, Hurst, Condotta, Holy, Taylor, and Overstreet)

READ FIRST TIME 02/22/13.

1 AN ACT Relating to industrial hemp; adding a new chapter to Title
2 15 RCW; and prescribing penalties.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The purpose of this chapter is to permit the
5 development in Washington of an industrial hemp industry and to ensure
6 that production of industrial hemp is in compliance with state law.

7 NEW SECTION. **Sec. 2.** The definitions in this section apply
8 throughout this chapter unless the context clearly requires otherwise.

9 (1) "Director" means the director of the department of agriculture.

10 (2) "Grower" means any person or business entity licensed under
11 this chapter by the director as an industrial hemp grower.

12 (3) "Hemp products" includes all products made from industrial hemp
13 including, but not limited to, cloth, cordage, fiber, food, fuel,
14 paint, paper, particle board, plastics, seed, seed meal and seed oil
15 for consumption, and certified seed for cultivation if the seeds
16 originate from industrial hemp varieties.

17 (4) "Industrial hemp" means all parts and varieties of the plant
18 cannabis sativa, whether growing or not, that contain a

1 tetrahydrocannabinol concentration of one percent or less by weight and
2 are cultivated or possessed by a licensed grower in compliance with
3 this chapter.

4 (5) "Records" means all commercial documents related to the
5 production of industrial hemp, including accounts, correspondence,
6 declarations, purchase orders, registers, seed invoices, and
7 tetrahydrocannabinol concentration analysis reports, including all
8 documentation required under this chapter and by any other state law
9 regarding the growing and cultivation of industrial hemp.

10 (6) "Tetrahydrocannabinol" or "THC" means synthetic equivalents of
11 the substances contained in the plant, or in the resinous extractives
12 of, cannabis, or synthetic substances, derivatives, and their isomers
13 with similar chemical structure and pharmacological activity.

14 NEW SECTION. **Sec. 3.** Industrial hemp is an agricultural product
15 which may be grown, produced, possessed, and commercially traded in the
16 state pursuant to the provisions of this chapter.

17 NEW SECTION. **Sec. 4.** (1) Any person or business entity wishing to
18 engage in the production of industrial hemp must be licensed as an
19 industrial hemp grower by the director. A license from the director
20 authorizes industrial hemp production only at a site or sites as
21 specified by the license.

22 (2) A license from the director is valid for twenty-four months and
23 may be renewed, but may not be transferred. An application for a
24 license must be filed with the director by January 1st, and a license
25 granted by the director must be issued by February 1st of the same
26 calendar year.

27 (3) To qualify for a license from the director, an applicant shall
28 demonstrate to the satisfaction of the director, in a manner prescribed
29 by the director, that the applicant intends to and is capable of
30 growing industrial hemp and has adopted methods to ensure its safe
31 production, which at a minimum include:

32 (a) Furnishing the director with an affirmation that the grower is
33 now and will continue to be in compliance with all state law regulating
34 the planting and cultivation of hemp;

35 (b) Furnishing the director with a guaranteed irrevocable letter of
36 credit or a surety bond executed by a surety company authorized to

1 transact business in this state, in the sum of not less than two
2 thousand dollars. Any resident of this state injured by a harmful act
3 of the licensee, the licensee's agents, servants, or operators has a
4 cause of action in his or her own name, on the bond of the licensee,
5 for the damage sustained. However, the aggregate liability of the
6 surety to all residents of this state may in no event exceed the
7 principal amount of the bond;

8 (c) Securing the supply of all industrial hemp seed obtained for
9 planting in compliance with this chapter;

10 (d) Ensuring the integrity of the industrial hemp crop while it is
11 in the field, which includes filing with the director the location and
12 acreage of all parcels sown and other field reference information as
13 may be required by the director;

14 (e) Ensuring that all parts of the industrial hemp plant not
15 entering the stream of commerce as hemp products, such as flowers and
16 leaves, are destroyed or recycled where the industrial hemp is grown;

17 (f) Agreeing to the provisions of section 6 (2) and (3) of this act
18 regarding inspections by the director; and

19 (g) Maintaining records that reflect compliance with the provisions
20 of this chapter and with all other state law regulating the planting
21 and cultivation of hemp.

22 (4) Every grower shall maintain all production records for at least
23 three years at the production site.

24 NEW SECTION. **Sec. 5.** (1) The director shall be the sole source
25 and supplier of seed for use in industrial hemp production in the
26 state. The director shall by rule adopt measures to secure all hemp
27 seed under the control of the director and to ensure that all hemp seed
28 supplied to and used by growers is of only those varieties that meet
29 the THC limitations of this chapter.

30 (2) A grower may only use hemp seed obtained exclusively from the
31 director.

32 NEW SECTION. **Sec. 6.** (1) The director shall administer and
33 enforce the provisions of this chapter.

34 (2) The director is authorized to investigate compliance with this
35 chapter, and shall have access, subject to the provisions of subsection
36 (3) of this section, to all land, buildings, or places where industrial

1 hemp is grown, kept, stored, or handled, and to all records relating to
2 hemp production. The director may take samples of up to one-tenth of
3 one percent of the industrial hemp crop of a grower, to test the crop
4 THC content to ensure compliance with this chapter and to provide a
5 basis for sanctions or suspension of a grower out of compliance. The
6 director may make copies of any records.

7 (3) The director shall have access to the properties and records
8 specified in subsection (2) of this section during regular business
9 hours upon the consent of the grower, or when the director has
10 substantial justification to believe that any grower who is licensed
11 under this chapter is otherwise in violation of this chapter or rules
12 adopted under it.

13 (4) The director shall adopt rules to implement this chapter.

14 NEW SECTION. **Sec. 7.** (1) The director may deny, suspend, revoke,
15 or refuse to renew the license of any grower that:

16 (a) Makes a false statement or misrepresentation on an application
17 for a license or renewal of a license;

18 (b) Fails to comply with or violates any provision of this chapter
19 or any rule adopted under it; or

20 (c) Fails to take any action required by the director under the
21 provisions of this chapter.

22 (2) Revocation or suspension of a license may be in addition to any
23 criminal penalties or fines imposed on a grower under other state law.

24 NEW SECTION. **Sec. 8.** (1) A fee shall be charged by the director
25 for each license granted to a grower under this chapter. The fee
26 amount charged for the first growing season shall be ten dollars per
27 acre of land under cultivation. After the first growing season, the
28 director shall recommend a fee amount to the legislature for its
29 approval, to be used beginning with the growing season following the
30 first growing season. All fee revenue must be deposited in the
31 industrial hemp account created in section 9 of this act.

32 (2) The director shall by rule establish hemp seed prices to be
33 charged growers under provisions of section 5 of this act. All
34 proceeds of seed sales must be deposited in the industrial hemp account
35 created in section 9 of this act.

1 NEW SECTION. **Sec. 9.** The industrial hemp account is created in
2 the state treasury. All receipts from fees from section 8 of this act
3 must be deposited into the account. Moneys in the account may be spent
4 only after appropriation. Expenditures from the account may be used
5 only for the purposes of defraying the cost of implementing this
6 chapter.

7 NEW SECTION. **Sec. 10.** (1) Washington State University is
8 authorized to undertake research of industrial hemp production in the
9 state, after receiving a license to grow hemp from the director. The
10 director may waive fee requirements. The director shall oversee the
11 university research, which shall be mutually agreed upon by the
12 director and the university, and which must include:

13 (a) Industrial hemp test plots, to assess optimum soils and other
14 growing conditions;

15 (b) Analysis of minimum THC levels obtainable in industrial hemp
16 production; and

17 (c) Analysis of market economic conditions affecting the
18 development of an industrial hemp industry in the state.

19 (2) The director and Washington State University shall
20 cooperatively seek funds from both public and private sources to
21 implement this section.

22 (3) By January 15, 2014, and annually thereafter, Washington State
23 University shall report on the status of research authorized by this
24 section, including progress in securing funding for it, to the relevant
25 committees of the legislature with jurisdiction over agricultural
26 activities.

27 NEW SECTION. **Sec. 11.** By January 15th of each year, the director
28 must report to the relevant committees of the legislature with
29 jurisdiction over agricultural activities regarding implementation of
30 this chapter and on the commercialization of industrial hemp in this
31 state and elsewhere in the world, and recommend any changes to this
32 chapter deemed appropriate.

33 NEW SECTION. **Sec. 12.** Sections 1 through 11 of this act

1 constitute a new chapter in Title 15 RCW.

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