

SENATE BILL REPORT

SB 6206

As Reported by Senate Committee On:
Agriculture, Water & Rural Economic Development, February 4, 2016

Title: An act relating to authorizing the growing of industrial hemp.

Brief Description: Authorizing the growing of industrial hemp.

Sponsors: Senators Hasegawa, Takko, Chase, Schoesler and Sheldon.

Brief History:

Committee Activity: Agriculture, Water & Rural Economic Development: 1/19/16, 2/04/16 [DPS].

SENATE COMMITTEE ON AGRICULTURE, WATER & RURAL ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 6206 be substituted therefor, and the substitute bill do pass.

Signed by Senators Warnick, Chair; Dangel, Vice Chair; Takko, Ranking Member; Hobbs and Honeyford.

Staff: Diane Smith (786-7410)

Background: Industrial hemp production is currently not pursued in Washington to any significant extent. The fact that hemp contains tetrahydrocannabinol (THC) - a controlled substance on the federal level and a regulated substance on the state level - complicates its feasibility as a farm product.

In Washington, I-502 legalized the possession of marijuana and authorized the state Liquor Control Board to regulate and tax marijuana's use by persons 21 years of age and older. The definition of marijuana falling under I-502 requires a THC percentage of 0.3 percent or higher by weight.

Products made from hemp can include cloth, fuel, plastics, seed meal, and seed oil for consumption, among other things. Hemp can also be used directly for erosion control and as a cover crop.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill (Recommended Substitute): The Washington State Department of Agriculture (WSDA) has specific direction to comply with federal requirements in establishing an industrial hemp research program, licensing program, and seed certification program.

Industrial hemp is defined as the plant, *Cannabis sativa*, with a THC level at or below 0.3 percent by weight, with an exception for licensed seed research, excepting any preparation for topical use, oral consumption or inhalation that is made from stalks, leaves, flowers or fiber.

Growing industrial hemp under license as part of WSDA's industrial hemp research program is authorized as an agricultural activity. "Grower" is defined as "licensed grower."

Specific requirements for applicants are noted, among which are to provide the location of the fields, disclosure of the applicant's criminal history, and consent to allow WSDA to enter the fields to inspect.

All applicants are subject to Washington State Patrol and FBI background checks.

WSDA is given authority to approve selected growers whose demonstration plots will advance the goals of the research program.

The county sheriff is notified immediately of any licenses granted in the sheriff's jurisdiction.

The applications and supporting information are exempt from public disclosure.

Washington State University (WSU) must study the feasibility and desirability of industrial hemp production in Washington State, subject to receiving federal or private funds for this purpose, through the expiration of this provision on August 1, 2017. This study's sources of information are prescribed and specific analyses are required, including whether growing industrial hemp will be a vector for plant disease affecting related species such as hops.

WSU must report its findings to the Legislature by January 14, 2017.

EFFECT OF CHANGES MADE BY AGRICULTURE, WATER & RURAL ECONOMIC DEVELOPMENT COMMITTEE (Recommended Substitute): Establishes a licensing program, seed certification program and an industrial hemp research program supervised by WSDA, all to be in compliance with federal law. Specific provisions are as follows:

Defines "grower" as "licensed grower."

Adds an exclusion from the definition of industrial hemp: industrial hemp excludes any preparation for topical use, oral consumption or inhalation that is made from stalks, leaves, flowers or fiber.

Adds specific direction to WSDA to comply with federal requirements.

Adds requirements for WSDA's licensure of growers on a yearly basis and certification of seed as part of an industrial hemp research program supervised by WSDA.

Specifies requirements for applicants, among which are to provide the location of the fields, disclosure of the applicant's criminal history, and consent to allow WSDA to enter the fields to inspect.

Subjects all applicants to Washington State Patrol and FBI background check.

Gives WSDA authority to approve selected growers whose demonstration plots will advance the goals of the research program.

Requires that the county sheriff be notified immediately of any licenses granted in his or her jurisdiction.

Exempts applications and supporting information from public disclosure.

Adds one subject of inquiry to the WSU study: whether growing industrial hemp will be a vector for plant disease affecting related species such as hops.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: Industrial hemp has exceptional value for nutrition, in making composites, and as a biofuel. To make a barrel of biofuel from corn costs \$85 whereas to make the same barrel from hemp costs \$43. The acreage required to produce 200 billion gallons of ethanol per year is 16 million acres of corn versus only 6 million acres of hemp. This has a potential of a \$500 million per-year market in Washington and would be an economic driver in rural areas. There is no fiscal impact of this bill. The seed stock is available world wide.

OTHER: The federal legal implications make this a complicated issue. If WSDA is to engage in rule-making, some state dollars will be needed. This bill is an oversimplification. Some hemp crops have gone feral. There must be a pedigreed seed system. Cross-pollination with medical and recreational marijuana is possible and must be protected against, though this is not a difficult problem to solve and may be done contractually among farmers. Body care products should be included in the bill.

Persons Testifying on Original Bill: PRO: Senator Hasegawa, prime sponsor; Ezra Eickmeyer, E & A Strategic Consulting.

OTHER: Joy Beckerman, Hemp Industries Association, Legal Analyst; and Hemp Ace International, Principal; Steve Fuller, Washington State Department of Agriculture; Ah Warner, Cannabis Basics; Steve Sarich, Washington Hemp Commission.

Persons Signed In To Testify But Not Testifying on Original Bill: No one.