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SENATE BILL 6214

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State of Washington

63rd Legislature

2014 Regular Session

By Senators Kohl-Welles, Hatfield, Hasegawa, Hewitt, and Chase

Read first time 01/17/14. Referred to Committee on Agriculture, Water & Rural Economic Development.

1 AN ACT Relating to industrial hemp; adding a new chapter to Title  
2 15 RCW; creating new sections; providing a contingent effective date;  
3 and providing an expiration date.

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

5 NEW SECTION. **Sec. 1.** The legislature intends to investigate the  
6 various economic opportunities and industrial uses associated with  
7 industrial hemp cultivation and production as a farm product in the  
8 state of Washington. Through conducting a study, the legislature  
9 intends to assess whether the state's growing conditions and economic  
10 potential are favorable for the production of industrial hemp so that  
11 growers and other businesses in Washington's agricultural industry may  
12 take advantage of this market opportunity. Furthermore, should the  
13 study find favorable growing conditions and a net-positive economic  
14 benefit associated with industrial hemp production, it is the intent of  
15 the legislature to permit the development of an industrial hemp  
16 industry in Washington and to ensure that production of industrial hemp  
17 is in compliance with state law.

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

3           (1) "Agribusiness" means the processing of raw agricultural  
4 products, including but not limited to timber and industrial hemp, or  
5 the performance of value-added functions with regard to raw  
6 agricultural products.

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

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

14           (4) "Industrial hemp" means all parts and varieties of the plant  
15 cannabis sativa, cultivated or possessed by a licensed grower, whether  
16 growing or not, that contain a tetrahydrocannabinol concentration of  
17 point three percent or less by weight, except that the THC  
18 concentration limit of point three percent may be exceeded for licensed  
19 industrial hemp seed research.

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

26           (6) "Tetrahydrocannabinol" or "THC" means synthetic equivalents of  
27 the substances contained in cannabis sativa, or in the resinous  
28 extractives of, cannabis, or synthetic substances, compounds, salts, or  
29 derivatives of cannabis sativa or chemicals and their isomers with  
30 similar chemical structure and pharmacological activity.

31           NEW SECTION.   **Sec. 3.**   Industrial hemp is an agricultural product  
32 that may be grown, produced, possessed, and commercially traded in the  
33 state in accordance with this chapter.

34           NEW SECTION.   **Sec. 4.**   (1)(a) The department shall establish a  
35 licensing program to allow persons to grow industrial hemp in the state  
36 of Washington as provided in this section.

1 (b) The licensing program must include an industrial hemp grower  
2 license that allows any person or business entity to engage in the  
3 production of industrial hemp for any purpose.

4 (c) A license authorizes industrial hemp propagation only on the  
5 land areas specified in the license.

6 (d) A person with a prior felony drug conviction within ten years  
7 of applying for a license under this section is not eligible for the  
8 license.

9 (2) Any person seeking to grow industrial hemp shall apply to the  
10 department for the appropriate license on a form provided by the  
11 department. At minimum, the application must include:

12 (a) The name and mailing address of the applicant;

13 (b) The legal description and global positioning coordinates  
14 sufficient for locating the production fields used to grow industrial  
15 hemp;

16 (c) A signed statement indicating whether the applicant has ever  
17 been convicted of a felony or misdemeanor;

18 (d) Written consent allowing the department, if a license is  
19 ultimately issued to the applicant, to enter onto the premises on which  
20 the industrial hemp is grown to conduct physical inspections of  
21 industrial hemp planted and grown by the applicant, and to ensure  
22 compliance with this chapter;

23 (e) Any other information required by the department; and

24 (f) The payment of a nonrefundable application fee, in an amount  
25 set by the department and used to offset the cost of administering the  
26 licensure program.

27 (3) A license from the department is valid for a period of one year  
28 from the date of issuance and may be renewed in successive years, but  
29 may not be transferred. Each annual renewal requires the payment of a  
30 license renewal fee.

31 (4)(a) The department shall, by rule, establish the fee amounts  
32 required for license applications and license renewals allowed under  
33 this section.

34 (b) All application and license renewal fees collected by the  
35 department shall be deposited in the industrial hemp account created in  
36 section 8 of this act.

37 (5) All records, data, and information filed in support of a

1 license application shall be considered proprietary and subject to  
2 inspection only upon the order of a court of competent jurisdiction.

3 NEW SECTION. **Sec. 5.** (1) The department is responsible for  
4 monitoring the industrial hemp grown by any license holder, and must  
5 provide for random testing of the industrial hemp for compliance with  
6 THC levels and for other appropriate purposes at the cost of the  
7 license holder.

8 (2) No more than two physical inspections per year may be conducted  
9 under this section unless a valid search warrant for an inspection has  
10 been issued by a court of competent jurisdiction.

11 (3) All testing for THC levels must be performed as provided in  
12 this section and rules adopted pursuant to this section.

13 (4) The department, by rule, shall establish necessary testing  
14 criteria and protocols for the purposes of this section.

15 NEW SECTION. **Sec. 6.** (1) A person must obtain an industrial hemp  
16 grower license pursuant to section 4 of this act before planting or  
17 growing any industrial hemp in this state. An industrial hemp grower  
18 license holder who has planted and grown industrial hemp pursuant to a  
19 valid grower license may sell industrial hemp produced by the grower to  
20 any person engaged in agribusiness or other manufacturing for the  
21 purpose of processing or manufacturing that industrial hemp into hemp  
22 products.

23 (2) A person granted an industrial hemp grower license must:

24 (a) Maintain records that reflect compliance with the provisions of  
25 this chapter and with all other state laws regulating the planting and  
26 cultivation of hemp;

27 (b) Retain all industrial hemp production records for at least  
28 three years at the production site;

29 (c) Allow all land, buildings, or places where industrial hemp is  
30 grown, kept, stored, or handled, and all records relating to hemp  
31 production to be inspected by the department, the Washington state  
32 patrol, and other law enforcement officers;

33 (d) Allow the department to take samples of up to one-tenth of one  
34 percent of the industrial hemp crop of a grower to test the crop THC  
35 content to ensure compliance with this chapter and to provide a basis

1 for sanctions or suspension of a grower who is out of compliance with  
2 this chapter;

3 (e) File with the department documentation indicating that the  
4 industrial hemp seeds planted were of a type and variety certified as  
5 meeting the THC limitations of this chapter;

6 (f) Notify the department of the sale of any industrial hemp grown  
7 under the license and the names and addresses of the persons to whom  
8 the industrial hemp was sold; and

9 (g) Provide the department with copies of any contracts between the  
10 licensee and any person to whom industrial hemp was sold.

11 (3) The department must assist the grower with compliance with the  
12 requirements of this section.

13 (4) Any person licensed to grow industrial hemp under this chapter  
14 may import and resell industrial hemp seed that has been certified as  
15 meeting the THC limitations of this chapter.

16 NEW SECTION. **Sec. 7.** (1) The director or the director's designee  
17 may deny, suspend, revoke, or refuse to renew the license of any grower  
18 who:

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

21 (b) Fails to comply with or violates any provision of this chapter  
22 or any rule adopted under this chapter; or

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

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

27 NEW SECTION. **Sec. 8.** The industrial hemp account is created in  
28 the state treasury. All receipts from fees collected under section 4  
29 of this act must be deposited into the account. Moneys in the account  
30 may be spent only after appropriation. Expenditures from the account  
31 may be used only for the purposes of defraying the cost of implementing  
32 this chapter.

33 NEW SECTION. **Sec. 9.** The director shall adopt rules to implement  
34 this chapter.

1        NEW SECTION.    **Sec. 10.**    Beginning January 15, 2016, and each  
2 January 15th thereafter, the department must report to the relevant  
3 committees of the legislature with jurisdiction over agricultural  
4 activities regarding implementation of this chapter and on the  
5 commercialization of industrial hemp in this state and elsewhere in the  
6 world, and recommend any changes to this chapter deemed appropriate.

7        NEW SECTION.    **Sec. 11.**    (1) Washington State University shall study  
8 the feasibility and desirability of industrial hemp production in  
9 Washington state. In conducting the study, the university shall gather  
10 information from agricultural and scientific literature, consulting  
11 with experts and the public, and reviewing the best practices of other  
12 states and countries worldwide regarding the development of markets for  
13 industrial hemp and hemp products. The study must include an analysis  
14 of:

15        (a) The market economic conditions affecting the development of an  
16 industrial hemp industry in the state;

17        (b) The estimated value-added benefit that Washington's economy  
18 would reap from having a developed industrial hemp industry in the  
19 state;

20        (c) Whether Washington soils and growing conditions are appropriate  
21 for economically viable levels of industrial hemp production;

22        (d) The agronomy research being conducted worldwide relating to  
23 industrial hemp varieties, production, and use; and

24        (e) Other legislative acts, experiences, and outcomes around the  
25 world regarding industrial hemp production.

26        (2)(a) The university shall report its findings to the legislature  
27 by January 14, 2015.

28        (b) The report must include:

29        (i) Recommendations for any legislative actions necessary to  
30 encourage and support the development of an industrial hemp industry in  
31 the state of Washington; and

32        (ii) A statement of whether the net-positive economic benefits to  
33 the state through the establishment of an industrial hemp industry in  
34 Washington was identified.

35        (3) The finding in the report regarding whether the net-positive  
36 economic benefits to the state through the establishment of an

1 industrial hemp industry in Washington were identified must also be  
2 provided to the code reviser's office.

3 (4) This section expires August 1, 2015.

4 NEW SECTION. **Sec. 12.** (1) Sections 1 through 10 of this act take  
5 effect if there is a statement in the report under section 11 of this  
6 act that net-positive economic benefits to the state through the  
7 establishment of an industrial hemp industry in Washington were  
8 identified.

9 (2) If the study in section 11 of this act identifies net-positive  
10 economic benefits to the state, the department must begin implementing  
11 the provisions of this chapter no later than June 1, 2015.

12 NEW SECTION. **Sec. 13.** Sections 1 through 10 of this act  
13 constitute a new chapter in Title 15 RCW.

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