S-4373.2

SUBSTITUTE SENATE BILL 6206

State of Washington 64th Legislature 2016 Regular Session

By Senate Agriculture, Water & Rural Economic Development (originally sponsored by Senators Hasegawa, Takko, Chase, Schoesler, and Sheldon)

READ FIRST TIME 02/05/16.

1 AN ACT Relating to authorizing the growing of industrial hemp; 2 adding a new chapter to Title 15 RCW; creating a new section; and 3 providing an expiration date.

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

5 <u>NEW SECTION.</u> Sec. 1. The legislature intends to authorize the 6 growing of industrial hemp as a legal, agricultural activity in this 7 state as part of an agricultural pilot program in conformance with 8 the agricultural act of 2014, 128 Stat. 912 § 7606, P.L. 113-79 (Feb. 9 7, 2014).

10 <u>NEW SECTION.</u> **Sec. 2.** The definitions in this section apply 11 throughout this chapter unless the context clearly requires 12 otherwise.

13 (1) "Department" means the Washington state department of 14 agriculture.

15 (2) "Grower" means any person licensed to grow industrial hemp 16 under this chapter.

17 (3) "Industrial hemp" means all parts and varieties of the genera 18 Cannabis, cultivated or possessed by a grower, whether growing or 19 not, that contain a tetrahydrocannabinol concentration of 0.3 percent 20 or less by dry weight. Industrial hemp does not include plants of the genera Cannabis that meet the definition of "marijuana" as defined in RCW 69.50.101. Industrial hemp does not include any food, extract, oil, cake, concentrate, resin, or other preparation made from Cannabis stalks, leaves, flowers, or fiber, for topical use, oral consumption, or inhalation.

6 (4) "Industrial hemp research program" means an agricultural 7 pilot program to study the growth, cultivation, or marketing of 8 industrial hemp supervised by the department.

9 (5) "Person" means any natural person, firm, partnership, 10 association, private or public corporation, government entity, or 11 other business entity.

12 (6) "THC concentration" means the percent of total THC, which is 13 the combined percent of delta-9 tetrahydrocannabinol and 14 tetrahydrocannabinolic acid in any part of the genera Cannabis.

15 <u>NEW SECTION.</u> Sec. 3. Industrial hemp is an agricultural product 16 that may be grown, produced, possessed, processed, and exchanged in 17 the state solely and exclusively as part of an industrial hemp 18 research program supervised by the department.

19 <u>NEW SECTION.</u> Sec. 4. (1) The department shall adopt rules 20 pursuant to this chapter and chapter 34.05 RCW as necessary to 21 license persons to grow hemp under an industrial hemp research 22 program. The rules must include, but are not limited to:

23 (a) Fee amounts for license application and renewal;

(b) Testing criteria and protocols for testing compliance withTHC levels; and

(c) Grower qualifications. Grower qualifications include, at a minimum, that a person with a prior felony drug conviction within ten years of applying for a license not be eligible for the license. The department shall adopt by rule the persons in associations, corporations, and other business entities to be qualified under this felony drug conviction limitation.

32 (2) The department may adopt rules for administration of an33 industrial hemp research program, including the goals of the program.

34 (3) The department may adopt rules for administration of an
 35 industrial hemp seed certification program pursuant to chapter 15.49
 36 RCW.

p. 2

1 <u>NEW SECTION.</u> Sec. 5. (1) The department shall establish an industrial hemp research program in which persons grow or cultivate 2 industrial hemp for researching the feasibility and desirability of 3 industrial hemp production in Washington. The department shall 4 supervise the program through licensure and seed certification, but 5 6 may not fund or conduct growing operations. The department may enter 7 into interagency agreements with other public entities in connection 8 with the program.

9 (2) The department shall establish a licensure program to allow 10 persons to grow industrial hemp in the state as part of the 11 industrial hemp research program.

12 The department shall establish an industrial hemp seed (3) certification program in support of the industrial hemp research 13 14 The department's authority to implement this program program. authority related 15 incorporates the department's to seed 16 certification, inspection, fee setting, and enforcement under chapter 17 15.49 RCW.

18 (4) The programs under this chapter are subject to a grant of 19 necessary permissions, waivers, or other form of valid legal status 20 by the United States drug enforcement agency or other appropriate 21 federal agency pursuant to applicable federal laws relating to 22 industrial hemp.

23 <u>NEW SECTION.</u> Sec. 6. (1) Any person seeking to grow industrial 24 hemp as part of the industrial hemp research program shall apply to 25 the department on a form provided by the department. At a minimum, 26 the application form must include:

(a) The name and mailing address of the applicant, including the
business address of any corporate applicant and the applicant's
registered agent and the agent's address;

30 (b) The legal description and global positioning coordinates31 sufficient to locate the proposed industrial hemp production fields;

32 (c) A signed declaration indicating whether the applicant has33 ever been convicted of a felony or misdemeanor;

(d) Written consent allowing the department, if a license is ultimately issued to the applicant, to enter onto the industrial hemp production fields to conduct physical inspections of industrial hemp planted and grown by the applicant, and to ensure compliance with the requirements of this chapter;

p. 3

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

(f) The payment of a nonrefundable application fee, in an amount
 set by the department.

3 (2) A person seeking to grow industrial hemp is subject to a
4 background check through the Washington state patrol criminal
5 identification system and the federal bureau of investigation.

6 (3) The department may approve licenses only for those selected 7 growers whose demonstration plots will advance the goals of the 8 department's industrial hemp research program. The location, and the 9 total number and acreage, of all demonstration plots to be grown by 10 license holders must be determined at the discretion of the 11 department.

12 (4) The department may use failure to comply with the law and 13 with the conditions of the license issued by the department as 14 grounds for revocation, suspension, or denial of future applications.

(5) Each license is valid for a period of one year from the date of issuance and may be renewed in successive years. Each annual renewal requires the payment of a license renewal fee.

18 (6) All moneys collected under this chapter must be deposited in 19 an account within the agricultural local fund and used solely for 20 carrying out this chapter. No appropriation is required for 21 disbursement of moneys from the account by the director.

(7) A record of each license issued by the department under this section must be immediately forwarded to the sheriff of each county where the industrial hemp is licensed to be planted, grown, and/or harvested.

(8) All records, data, and information filed in support of a
 license application are exempt from disclosure under chapter 42.56
 RCW, the public records act.

Sec. 7. (1) Subject to receiving federal or 29 NEW SECTION. 30 private funds for this purpose, Washington State University shall study the feasibility and desirability of industrial hemp production 31 in Washington. In conducting the study, Washington State University 32 shall gather information from agricultural and scientific literature, 33 consult with experts and the public, and review the best practices of 34 35 other states and countries worldwide regarding the development of markets for industrial hemp. The study must include an analysis of: 36

37 (a) The market economic conditions affecting the development of38 an industrial hemp industry in the state;

p. 4

1 (b) The estimated value-added benefit that Washington's economy 2 would reap from having a developed industrial hemp industry in the 3 state;

4 (c) Whether Washington soils and growing conditions are 5 appropriate for use of industrial hemp in the rotation of other crops 6 and whether soils and growing conditions are appropriate for farming 7 industrial hemp at economically viable levels;

8 (d) Whether growing industrial hemp will introduce or serve as a
9 vector for plant disease affecting related species, such as hops;

10 (e) The agronomy research being conducted worldwide relating to 11 industrial hemp varieties, production, and use; and

12 (f) Other legislative acts, experiences, and outcomes around the 13 world regarding industrial hemp production.

14 (2)(a) Washington State University shall report its findings to15 the legislature by January 14, 2017.

(b) The report must include recommendations for any legislative actions necessary to encourage and support the development of an industrial hemp industry in the state of Washington.

19 (3) This section expires August 1, 2017.

20 <u>NEW SECTION.</u> Sec. 8. Sections 1 through 6 of this act 21 constitute a new chapter in Title 15 RCW.

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