

HCS HB 2034 -- INDUSTRIAL HEMP

SPONSOR: Curtman

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Agriculture Policy by a vote of 10 to 1. Voted "Do Pass" by the Rules- Legislative Oversight Committee by a vote of 8 to 1.

This bill exempts industrial hemp, which is defined as *Cannabis sativa* L. containing no greater than 0.3% THC, from the definition of marijuana and the list of controlled substances. In addition, it is legal for any person who has received an industrial hemp license to grow, harvest, cultivate, and process industrial hemp.

The bill creates an industrial hemp agricultural pilot program to be implemented by the Department of Agriculture and specifies the requirements for an applicant of an industrial hemp registration and agricultural hemp seed production permit. The department must issue a license or permit to an applicant who meets the statutory requirements and upon satisfactory completion of a fingerprint criminal history background check. Upon issuance of a license or permit, information regarding all license and permit holders must be forwarded to the State Highway Patrol.

An industrial hemp license or agricultural hemp seed production permit is nontransferable except to a spouse or child who otherwise meets the requirements for a license or permit; is valid for a three-year term unless revoked by the department; and may be renewed as determined by the department.

The department is also allowed to revoke or refuse to issue or renew an industrial hemp license or agricultural hemp seed production permit and to impose a civil penalty of not less than \$2,500 or more than \$50,000 for a violation of the requirements of the license or permit, department rules relating to growing or handling industrial hemp, the monitoring system, or a final order of the department that is specifically directed to the grower's or handler's industrial hemp operations or activities. A registration or permit may not be issued to a person who in the five years preceding the application has been found guilty of a felony offense under any state or federal law regarding the possession, distribution, manufacturing, cultivation, or use of a controlled substance. In addition, the department may revoke or refuse to issue or renew a license or permit for failing to comply with statute or for a violation of department rules regarding agricultural operations or activities other than industrial hemp growing or handling.

A person who grows industrial hemp without a valid industrial hemp license is subject to an administrative fine of \$500 and must obtain an industrial hemp license within 30 days. If the person obtains the license within 30 days, the fine is refunded. If the person fails to obtain a license within 30 days, the person is fined \$1,000 per day until the person obtains a license or the crop is destroyed.

Every grower or handler must be subject to an industrial hemp plant monitoring system. The department may inspect a grower or handler to ensure compliance with statutes, department rules, the monitoring system, or a final department order directed to the grower's or handler's industrial hemp operations or activities. The department may also inspect any industrial hemp crop during the crop's growth phase and take a representative composite sample for field analysis. Crop exceeding the allowable THC limits may be detained, seized, or embargoed.

The Department of Agriculture must develop standard identification documentation for industrial hemp and associated commodities. The department may assess growers and handlers a fee for developing the system.

An institution of higher education, in collaboration with the Department of Agriculture, may engage in the study of the growth, cultivation, or marketing of industrial hemp and seed. The Missouri Crop Improvement Association, in collaboration with the department, may establish and administer a certification program for agricultural hemp seed. The department may breed, plant, grow, cultivate, and harvest cannabis, and collect seeds from wild cannabis plants. The program is voluntary for growers of industrial hemp.

Currently, a food is considered adulterated if it meets certain criteria. This bill specifies that a food shall not be considered adulterated if it contains industrial hemp, or an industrial hemp commodity or product.

This bill is the same as SB 547 (2018) and similar to HB 170 (2017).

PROPOSERS: Supporters say that industrial hemp is used in many goods manufactured in Missouri but the manufacturers must import the hemp from other countries. Before hemp became illegal to grow, Missouri was one of the largest producers of industrial hemp in the nation. The plant still grows wild in parts of the state. Studies have shown that farmers who add industrial hemp to their crop rotation may have higher yields. The THC levels in industrial hemp are lower than the level to be classified as a narcotic.

Testifying for the bill were Representative Curtman; Chris Beedle; Dan K. Erdel; Sam Sweat, Beyond Organic LLC; Courtney N Moran, Aghs LLC; and Hyatt Bangers, Midwest Industrial Hemp.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that any cultivation of industrial hemp must meet the restrictions in the federal Agriculture Act of 2014 and this bill is closer to meeting those restrictions than bill in previous years. However, due to budget constraints this program may be hard for the department to implement.

Testifying on the bill was Missouri Farm Bureau.