

HCS SS SCS SB 547 -- INDUSTRIAL HEMP

SPONSOR: Munzlinger

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Agriculture Policy by a vote of 11 to 2. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 10 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, upon satisfactory completion of a state and federal fingerprint criminal history background check, and who signs a waiver that holds the department harmless in the event a lawsuit occurs or the growth, processing or other specified actions related to industrial hemp or seed is declared illegal under federal law. 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 or pled guilty to 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. The department must refuse to issue a registration or permit to any applicant for less than 10 acres or more than 40 acres or if the total acreage among all registrants would exceed 2,000 acres of land statewide.

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.

No retailer of pesticides or agricultural chemicals is liable for the sale, application, or handling of these products by a producer or applicator in any manner or for a purpose not approved by state or federal agencies. No producer or applicator may use or apply pesticides or agricultural chemicals to industrial hemp except as approved by state and federal law.

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 State Highway Patrol may perform aerial surveillance to ensure illegal industrial hemp or marijuana plants are not being cultivated on or near industrial hemp and may coordinate with local law enforcement agencies to destroy illegal industrial hemp or marijuana plants. The department must notify the State Highway Patrol and local law enforcement agencies of the need to destroy a crop of hemp deemed illegal through field analysis.

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. This bill creates the "Industrial Hemp Fund," which consists of the fees collected in this provision.

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 and must obtain a registration for the growth of industrial hemp or a permit for the growth and handling of agricultural hemp seed. The department may not issue a permit or registration to an institution of higher education to grow or cultivate industrial hemp on more than 20 acres, but may issue a permit for the growth or cultivation on a plot of land less than 10 acres.

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.

The department must execute its responsibilities relating to the cultivation of industrial hemp in the most cost-efficient manner possible, including in establishing permit and registration fees. For the purpose of testing industrial hemp for pesticides, the department must explore the option of transporting samples from Missouri to contiguous states that participate in an agricultural pilot program authorized by the federal Agricultural Act of 2014.

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 similar to HB 170 (2017) and SCS HCS HB 2034 and SB 547 (2018).

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 Senator Munzlinger; Chris Beedle; Beyond Organics LLC; Missouri Industrial Hemp Association; HPRA; and Dan Viets.

OPPOSERS: Those who oppose the bill say that industrial hemp is currently illegal under federal law and that law enforcement can not distinguish between industrial hemp and marijuana by sight and would need expensive testing to differentiate.

Testifying against the bill was Ed Moses.