

HCS HB 2038 -- INDUSTRIAL HEMP

SPONSOR: Curtman

COMMITTEE ACTION: Voted "Do Pass with Amendments" by the Standing Committee on Agriculture Policy by a vote of 13 to 2. Voted "Do Pass with HCS" by the Select Committee on Agriculture by a vote of 8 to 1.

This bill exempts industrial hemp, which is defined as *Cannabis sativa* L. containing no greater than 3/10 of one percent 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 from the Missouri Department of Agriculture to grow, harvest, and cultivate industrial hemp. A person who wants to produce and handle agricultural hemp seed for sale to licensed industrial hemp growers and handlers must also receive an agricultural hemp seed production permit from the department.

The bill creates an industrial hemp agricultural pilot program and specifies the requirements for an applicant of an industrial hemp license 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. A license or permit may not be issued to a person who has been found guilty of a felony offense within ten years or a person who, at any time, has been found guilty of a felony offense under state or federal law regarding the possession, distribution, manufacturing, cultivation, or use of a controlled substance. Upon issuance of a license or permit, information regarding all license and permit holders must be forwarded to the Missouri 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.

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 may charge growers and handlers reasonable fees as determined by the department and adopt rules to administer the program. 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. 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.

This bill is similar to HCS HB 830 (2015).

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. For every acre of land that is used for industrial hemp production, four to eight jobs would be created in Missouri. The THC levels in industrial hemp are lower than the level to be classified as a narcotic.

Testifying for the bill were Representative Curtman; Steven Wilson, Missouri Hemp Network; Hyatt Bankert; Chris Beedle; and Rachel Brickhouse, Empower Missouri.

OPPOSERS: Those who oppose the bill say that the federal Farm Bill only allows for industrial hemp production by institutions of education or state departments of agriculture for research purposes. In addition, local law enforcement cannot afford the costs of testing to ensure the levels of THC comply with the program and testing would have to be performed since drug dogs have a hard time distinguishing between industrial hemp and marijuana.

Testifying against the bill were Missouri Farm Bureau and the Missouri Association Of Prosecuting Attorneys.