

HCS HB 2054 -- INDUSTRIAL HEMP

SPONSOR: Colona

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Economic Development by a vote of 16 to 1.

This bill defines "industrial hemp" as all non-seed parts and varieties of the cannabis sativa plant that contain a crop-wide average tetrahydrocannabinol (THC) concentration that does not exceed .3% on a dry weight basis or any cannabis sativa seed that is part of a growing crop, retained by a grower for future planting or used for processing into or use as agricultural hemp seed but must not include industrial hemp commodities and products. Industrial hemp is excluded from the definition of marijuana.

When a person is charged with possession of a controlled substance and he or she claims that the substance was industrial hemp, the burden of proof must be on the person to prove that the substance was industrial hemp and not a controlled substance. It must be legal for any person who has not been convicted of any felony offense or any misdemeanor drug-related offense to grow and cultivate industrial hemp.

The bill specifies that industrial hemp production, possession, and commerce in industrial hemp commodities and products must be permitted in the state and must be an agricultural product that is subject to regulation by the Department of Agriculture. Any grower and handler of industrial hemp must obtain a license from the department, and growers and handlers engaged in the production of agricultural hemp seed also must have an agricultural hemp seed production permit. An industrial hemp license or agricultural hemp seed production permit is non-transferable and valid for a three-year term unless revoked by the department and may be renewed as determined by the department.

The department must make information that identifies sellers of agricultural hemp seed available to growers, and any seller of agricultural hemp seed must ensure that the seed complies with any standards established by the department. A grower may retain seed from each industrial hemp crop to ensure a sufficient supply of seed for that grower for the following year. He or she cannot be required to obtain a permit in order to retain seed for future planting. Any seed retained by a grower for future planting cannot be sold or transferred and does not have to meet standards established by the department. Every grower or handler must keep records as required by the department. Upon three days' notice, the department may require an inspection or audit during any normal business hours for the purpose of ensuring compliance. The

department may also inspect any industrial hemp crop during the crop's growth phase and take a representative composite sample for field analysis. If a crop contains an average tetrahydrocannabinol concentration exceeding .3% on a dry weight basis, the department may detain, seize, or embargo the crop.

The department may charge growers and handlers reasonable fees that must be continuously appropriated to the department for the purpose of carrying out the duties of the department under the provisions of the bill.

The department may revoke or refuse to issue or renew an industrial hemp license or agricultural hemp seed production permit and may impose a civil penalty, of up to \$50,000, for violation of a license or permit requirement, license or permit terms or conditions, department rules relating to growing or handling industrial hemp, or a final order of the department that is specifically directed to the grower's or handler's industrial hemp operations or activities. The department may revoke or refuse to issue or renew an industrial hemp license or an agricultural hemp seed production permit for violation of any rule of the department that pertains to agricultural operations or activities other than industrial hemp growing or handling.

**PROPONENTS:** Supporters say that this bill will put Missouri at the forefront of industrial hemp production. Proponents say that in 2013, retail sales for industrial hemp reached \$520 million for North America. Hemp can be used for body care, human consumption, construction material, energy, textiles, and paper. Hemp is easy to grow even in less productive soils and does not require large amounts of commercial pesticides. Hemp additives or oil can help those suffering from epilepsy or seizures. Proponents say that industrial hemp is not a hallucinogen because it contains less than .03% THC. The bill allows the department of agriculture to heavily regulate the industry.

Testifying for the bill were Representative Colona; Paige Figi, Realm of Caring; Amber Iris Langston, Show-Me Cannabis Regulation; St. Louis Tea Party; Eapen Thampy, Our America Initiative; Ron Calzone, Missouri First, Inc.; John Payne, Show-Me Cannabis; Steven Wilson, Missouri Hemp Network; and Richard Oswald, Missouri Farmers Union.

**OPPONENTS:** Those who oppose the bill say that Missouri Farm Bureau has a policy opposing the production of hemp. Opponents say that there are potential law enforcement issues and it opens the door for other activities which are illegal.

Testifying against the bill was Missouri Farm Bureau.