

2020 -- H 7535

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LC004449
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

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A N A C T

RELATING TO AGRICULTURE AND FORESTRY -- HEMP GROWTH ACT

Introduced By: Representatives Chippendale, Filippi, Slater, Marszalkowski, and
Roberts

Date Introduced: February 12, 2020

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 2-26-5 of the General Laws in Chapter 2-26 entitled "Hemp Growth
2 Act" is hereby amended to read as follows:

3 **2-26-5. Authority over licensing and sales.**

4 (a) The department shall prescribe rules and regulations for the licensing and regulation
5 of hemp growers, handlers, licensed CBD distributors, and licensed CBD retailers and persons
6 employed by the applicant not inconsistent with law, to carry into effect the provision of this
7 chapter and shall be responsible for the enforcement of the licensing.

8 (b) All growers, handlers, licensed CBD distributors, and licensed CBD retailers must
9 have a hemp license issued by the department. All production, distribution, and retail sale of
10 hemp-derived consumable CBD products must be consistent with any applicable state or local
11 food processing and safety regulations, and the applicant shall be responsible to ensure its
12 compliance with the regulations and any applicable food safety licensing requirements, including,
13 but not limited to, those promulgated by the department of health.

14 (c) The application for a hemp license shall include, but not be limited to, the following:

15 (1)(i) The name and address of the applicant who will supervise, manage, or direct the
16 growing and handling of hemp and the names and addresses of any person or entity partnering or
17 providing consulting services regarding the growing or handling of hemp; and

18 (ii) The name and address of the applicant who will supervise, manage, or direct the
19 distribution or sale of hemp-derived consumable CBD products, and names and addresses of any

1 person or entity partnering or providing consulting services regarding the distribution or sale of
2 hemp-derived CBD products.

3 (2) A certificate of analysis that the seeds or plants obtained for cultivation are of a type
4 and variety that do not exceed the maximum concentration of delta-9 THC, as set forth in § 2-26-
5 3; any seeds that are obtained from a federal agency are presumed not to exceed the maximum
6 concentration and do not require a certificate of analysis.

7 (3)(i) The location of the facility, including the Global Positioning System location, and
8 other field reference information as may be required by the department with a tracking program
9 and security layout to ensure that all hemp grown is tracked and monitored from seed to
10 distribution outlets; and

11 (ii) The location of the facility and other information as may be required by the
12 department as to where the distribution or sale of hemp-derived consumable CBD products will
13 occur.

14 (4) An explanation of the seed-to-sale tracking, cultivation method, extraction method,
15 and certificate of analysis or certificate of analysis for the standard hemp seeds or hemp product if
16 required by the department.

17 (5) Verification, prior to planting any seed, that the plant to be grown is of a type and
18 variety of hemp that will produce a delta-9 THC concentration of no more than three-tenths of
19 one percent (0.3%) on a dry-weight basis.

20 (6) Documentation that the licensee and/or its agents have entered into a purchase
21 agreement with a hemp handler, processor, distributor, or retailer.

22 (7) All applicants:

23 (i) Shall apply to the state police, attorney general, or local law enforcement for a
24 National Criminal Identification records check that shall include fingerprints submitted to the
25 Federal Bureau of Investigation. Upon the discovery of a disqualifying conviction defined in
26 subsections (c)(7)(iv) and (c)(7)(v), and in accordance with the rules promulgated by the
27 department, the state police shall inform the applicant, in writing, of the nature of the conviction,
28 and the state police shall notify the department, in writing, without disclosing the nature of the
29 conviction, that a conviction has been found;

30 (ii) In those situations in which no conviction has been found, the state police shall
31 inform the applicant and the department, in writing, of this fact;

32 (iii) All applicants shall be responsible for any expense associated with the criminal
33 background check with fingerprints.

34 (iv) Any applicant who has been convicted of any felony offense under chapter 28 of title

1 21, or any person who has been convicted of murder; manslaughter; first-degree sexual assault;
2 second-degree sexual assault; first-degree child molestation; second-degree child molestation;
3 kidnapping; first-degree arson; second-degree arson; mayhem; robbery; burglary; breaking and
4 entering; assault with a dangerous weapon; or any assault and battery punishable as a felony or
5 assault with intent to commit any offense punishable as a felony, shall be disqualified from
6 holding any license or permit under this chapter. The department shall notify any applicant, in
7 writing, of a denial of a license pursuant to this subsection.

8 (v) For purposes of this section, "conviction" means, in addition to judgments of
9 conviction entered by a court subsequent to a finding of guilty, or plea of guilty, those instances
10 where the defendant has entered a plea of nolo contendere and has received a jail sentence or a
11 suspended jail sentence, or those instances wherein the defendant has entered into a deferred
12 sentence agreement with the Rhode Island attorney general and the period of deferment has not
13 been completed.

14 (8) Any other information as set forth in rules and regulations as required by the
15 department.

16 (d) [Deleted by P.L. 2019, ch. 88, art. 15, § 1].

17 (e) The department shall issue a hemp license to the grower or handler applicant if he,
18 she, or it meets the requirements of this chapter, ~~upon the applicant paying a licensure fee of two~~
19 ~~thousand five hundred dollars (\$2,500)~~. The license shall be renewed every two (2) years upon
20 payment of a two thousand five hundred dollar (\$2,500) renewal fee. Any licensee convicted of
21 any disqualifying offense described in subsection (c)(7)(iv) shall have his, her, or its license
22 revoked. All license fees shall be directed to the department to help defray the cost of
23 enforcement. The department shall collect a nonrefundable license application fee of ~~two hundred~~
24 ~~fifty dollars (\$250)~~ one hundred dollars (\$100) for each application to obtain a license.

25 (f) Any grower or handler license applicant or license holder may also apply for and be
26 issued one (1) CBD distributor and/or one (1) CBD retailer license at no additional cost, provided
27 their grower or handler license is issued or renewed. CBD distributor and CBD retailer licenses
28 shall be renewed each year at no additional fee provided the applicant also holds or renews a
29 grower and/or handler license.

30 (g) For applicants who do not hold, renew, or receive a grower or handler license, CBD
31 distributor and CBD retailer licenses shall have a licensure fee of five hundred dollars (\$500).
32 The licenses shall be renewed each year upon approval by the department and payment of a five
33 hundred dollar (\$500) renewal fee.

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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1 This act would repeal the licensure fee for a hemp license and reduce the license
2 application fee from two hundred fifty dollars (\$250) to one hundred dollars (\$100).

3 This act would take effect upon passage.

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