

2016 -- S 2763 SUBSTITUTE A

LC004894/SUB A/2

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

A N A C T

RELATING TO AGRICULTURE AND FORESTRY

Introduced By: Senators Sosnowski, Miller, Pichardo, Walaska, and Kettle

Date Introduced: March 10, 2016

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 2 of the General Laws entitled "AGRICULTURE AND FORESTRY"
2 is hereby amended by adding thereto the following chapter:

3 CHAPTER 26

4 HEMP GROWTH ACT

5 **2-26-1. Short title.** -- This chapter shall be known and may be cited as the "Hemp
6 Growth Act."

7 **2-26-2. Legislative findings.** -- The general assembly finds and declares as follows:

8 (1) The cannabis sativa plant used for the production of hemp is separate and distinct
9 from forms of cannabis used to produce marijuana.

10 (2) Hemp is used for products such as building materials, cloth, cordage, fiber, food, floor
11 coverings, fuel, industrial chemicals, paint, paper, particle board, plastics, seed meal, seed oil and
12 yarn.

13 (3) Industrial hemp production has remained legal throughout most of the world and
14 hemp has the capacity to grow in a multitude of different climates, altitudes, soils, and weather
15 conditions.

16 (4) Currently, it is legal to import industrial hemp into the United States.

17 (5) Although federal law currently prohibits the cultivation of hemp, the laws of
18 California, Colorado, Indiana, Kentucky, Maine, Montana, North Dakota, Oregon, South
19 Carolina, Tennessee, Vermont, Virginia and West Virginia permit commercial hemp programs.

1 (6) Currently, the United States is the largest importer of hemp products, the largest
2 portion of which is imported from China.

3 (7) States are not required to enforce federal law or prosecute people for engaging in
4 activities prohibited by federal law. Therefore, compliance with this chapter does not put the state
5 of Rhode Island in violation of federal law.

6 **2-26-3. Definitions. --** When used in this chapter, the following terms shall have the
7 following meanings:

8 (1) "Applicant" means any person, firm, corporation, or other legal entity who, on their
9 own behalf or on behalf of another has applied for permission to engage in any act or activity that
10 is regulated under the provisions of this chapter.

11 (2) "Department" means the department of business regulation.

12 (3) "Division" means the division of agriculture in the department of environmental
13 management.

14 (4) "Grower" means a person or entity that produces hemp for commercial purposes.

15 (5) "Handler" means a person or entity that produces hemp for processing into
16 commodities, products, or agricultural hemp seed.

17 (6) "Hemp" means the plant of the genus cannabis and any part of such plant, whether
18 growing or not, with a delta-9 tetrahydrocannabinol concentration that does not exceed three-
19 tenths percent (0.3%) on a dry weight basis of any part of the plant cannabis, or per volume or
20 weight of marijuana product or the combined percent of delta-9 tetrahydrocannabinol and
21 tetrahydrocannabinolic acid in any part of the plant cannabis regardless of the moisture content.
22 Hemp is also commonly referred to in this context as "industrial hemp."

23 (7) "Hemp products" means all products made from the plants, including, but not limited
24 to, concentrated oil, cloth, cordage, fiber, food, fuel, paint, paper, construction materials, plastics,
25 seed, seed meal, seed oil, and certified for cultivation.

26 (8) "THC" means tetrahydrocannabinol, the principal psychoactive constituent of
27 cannabis.

28 (9) "THCA" means tetrahydrocannabinol acid.

29 **2-26-4. Hemp an agricultural product. --** Hemp is an agricultural product which may
30 be grown as a crop, produced, possessed, distributed, and commercially traded pursuant to the
31 provisions of this chapter. Hemp is subject to primary regulation by the department. The division
32 may assist the department in the regulation of hemp growth and production.

33 **2-26-5. Authority over licensing and sales. --** (a) The department shall promulgate rules
34 and regulations for the licensing and regulation of hemp growers and handlers or persons

1 otherwise employed by the applicant and shall be responsible for the enforcement of such
2 licensing and regulation.

3 (b) All growers and handlers must have a hemp license issued by the department.

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

5 (1) The name and address of the applicant, who will supervise, manage or direct the
6 growing and handling of hemp and the names and addresses of any person or entity partnering or
7 providing consulting services regarding the growing or handling of hemp.

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

12 (3) The location of the facility, including the global positioning system location, and
13 other field reference information as may be required by the department with a tracking program
14 and security layout to ensure that all hemp grown is tracked and monitored from seed to
15 distribution outlets.

16 (4) An explanation of the seed to sale tracking, cultivation method, extraction method,
17 and certificate of analysis or certificate of analysis for the standard hemp seeds.

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

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

23 (7) All applicants:

24 (i) Shall apply to the state police for a national criminal identification records check that
25 shall include fingerprints submitted to the federal bureau of investigation. Upon the discovery of
26 a disqualifying conviction defined in paragraph (iv) and (v) herein, and in accordance with the
27 rules promulgated by the department, the state police shall inform the applicant, in writing, of the
28 nature of the conviction, and the state police shall notify the department, in writing, without
29 disclosing the nature of the 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, for a denial of a license pursuant to this subsection.

8 (v) For purposes of this section, "conviction" means in addition to judgements 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) All employees of the applicant shall register with the Rhode Island state police.

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

25 **2-26-6. Rulemaking authority.** -- (a) The department shall adopt rules to provide for the
26 implementation of this chapter, which shall include rules to require hemp to be tested during
27 growth for THC levels and to require inspection of hemp during sowing, growing season, harvest,
28 storage, and processing. Included in these rules should be a system requiring the licensee to
29 submit crop samples to an approved testing facility, as determined by the department for testing
30 and verification of compliance with the limits on delta-9 THC concentration.

31 (b) The department shall not adopt under this or any other section, a rule that would
32 prohibit a person or entity to grow or distribute hemp based on the legal status of hemp under
33 federal law.

34 **2-26-7. Registration.** -- (a) Except as provided in this section, beginning sixty (60) days

1 after the effective date of this chapter, the department shall accept the application for licensure to
2 cultivate hemp submitted by the applicant.

3 (b) A person or entity registered with the department pursuant to this chapter shall allow
4 hemp crops, throughout sowing, year-long growing seasons, harvest storage, and processing, to
5 be inspected and tested by and at the discretion of the department.

6 **2-26-8. Methods of extraction. --** (a) The department shall adopt rules regarding
7 permissible methods of extraction.

8 (b) No butane method of extraction shall be permitted by the department.

9 **2-26-9. Research and educational growth by institutions of higher education. –** (a)
10 The department is authorized to certify any higher educational institution in Rhode Island to grow
11 or handle or assist in growing or handling industrial hemp for the purpose of agricultural or
12 academic research where such higher educational institution submits the following to the
13 department:

14 (1) The location where the higher educational institution intends to grow or cultivate the
15 industrial hemp;

16 (2) The higher educational institution's research plan; and

17 (3) The name of the employee of the higher educational institution that will supervise the
18 hemp growth, cultivation and research.

19 (b) Growth for purposes of agricultural and educational research by a higher educational
20 institution shall not be subject to the licensing requirements set forth in §2-26-5.

21 (c) The applicant is encouraged to partner with an institution of higher learning within the
22 state of Rhode Island to develop best practices for growing and handling hemp.

23 (d) The department shall maintain a list of each higher education institution certified to
24 grow or cultivate industrial hemp under this chapter.

25 SECTION 2. This act shall take effect on January 1, 2017.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO AGRICULTURE AND FORESTRY

1 This act would permit the growth of hemp by properly licensed individuals that have
2 applied and met the requirements of this chapter. It would also allow higher educational
3 institutions to grow hemp for educational and research purposes with the approval of the
4 department of health.

5 This act would take effect on January 1, 2017.

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