

AN ACT relating to industrial hemp.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔ SECTION 1. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 5 of this Act, unless the context requires otherwise:

(1) "Department" means the Kentucky Department of Agriculture.

(2) "Industrial hemp" means all parts and varieties of the plant cannabis sativa, cultivated or possessed by a licensed grower, whether growing or not, that contain a tetrahydrocannabinol concentration of no more than one percent (1%) by weight. Industrial hemp, as defined and applied for the purposes of Sections 1 to 5 of this Act, shall be excluded from the definition of marijuana, as defined in KRS 218A.010.

(3) "Tetrahydrocannabinol" or "THC" means the natural or synthetic equivalents of the substances contained in the plant, or in the resinous extractives of, cannabis, or any synthetic substances, compounds, salts, or derivatives of the plant or chemicals and their isomers with similar chemical structure and pharmacological activity.

➔ SECTION 2. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

(1) Any person desiring to grow or process industrial hemp for commercial purposes shall apply to the department for a license on a form provided by the department. The application for a license shall include the name and address of the applicant, the legal description of the land area to be used to grow or process industrial hemp, and, if the applicant plans to let another person grow or process the industrial hemp, a copy of any contracts between the applicant and the persons who plan to grow or process industrial hemp for the applicant.

(2) For initial licensure, each applicant shall be required to submit to a statewide and

nationwide criminal history check which shall be conducted by the sheriff's department having jurisdiction in the county in which the industrial hemp will be grown or processed. The sheriff's department shall provide the department with a copy of the criminal history records. For applicants planning to grow or process industrial hemp in more than one (1) county, the department shall determine which sheriff's department shall conduct the checks. All costs associated with the checks shall be paid by the applicant. Criminal history records provided to the department shall be confidential. The department may use the records only in determining an applicant's eligibility for licensure. Any person with a prior felony conviction within ten (10) years of applying for a license shall not be eligible for licensure.

(3) If the applicant has completed the application process to the satisfaction of the department, the department shall issue the license, which shall be valid for a period of one (1) year. Any person licensed under this section shall be presumed to be growing or processing industrial hemp for commercial purposes.

(4) The department shall administer the licensing program and shall promulgate administrative regulations necessary to carry out the provisions of Sections 1 to 5 of this Act.

(5) The license required by this section shall not be conditioned on or subject to review or approval by the United States Drug Enforcement Agency.

➔ SECTION 3. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

(1) In addition to the criminal history checks required by Section 2 of this Act, the sheriff's department shall be responsible for monitoring registered industrial hemp fields and shall randomly test the industrial hemp for compliance with THC levels. The department shall provide the sheriffs with a list of approved licensees and copies of the legal descriptions of the lands upon which industrial

hemp is being grown or processed. For licensees growing or processing industrial hemp in more than one (1) county, each county's industrial hemp fields shall be monitored and tested by the sheriff's department having jurisdiction in that county.

(2) To provide sufficient funds to pay costs associated with administering, monitoring, and testing industrial hemp, the department shall assess each licensee a fee of five dollars (\$5) per acre, with a minimum fee of one hundred fifty dollars (\$150) per applicant. Collections from this fee shall be equally divided between the department and the appropriate sheriff's department.

➔ SECTION 4. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

(1) Each licensee shall:

(a) File with the department documentation indicating that the industrial hemp seeds planted were of a type and variety certified to have no more than one percent (1%) THC by weight;

(b) Notify the department of the sale or distribution of any industrial hemp grown or processed under the license and the names and addresses of the persons to whom the industrial hemp was sold or distributed; and

(c) Provide the department with any contracts between the licensee and any person to whom industrial hemp was sold or distributed.

(2) Any person licensed to grow or process industrial hemp under Sections 1 to 5 of this Act may import and resell industrial hemp seed that has been certified as having no more than one percent (1%) THC by weight.

➔ SECTION 5. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

Nothing in Sections 1 to 5 of this Act shall be construed to authorize any person to violate federal law.