

HB 1576-FN-A - AS INTRODUCED

1998 SESSION

98-2010

09/01

HOUSE BILL ***1576-FN-A***

AN ACT permitting the development of an industrial hemp industry in New Hampshire and continually appropriating a special fund.

SPONSORS: Rep. Robertson, Ches 18; Rep. Owen, Merr 6

COMMITTEE: Environment and Agriculture

ANALYSIS

This bill permits the production of industrial hemp in New Hampshire. A person or business entity wishing to grow and produce industrial hemp must be licensed by the commissioner of agriculture, markets, and food. The commissioner of agriculture, markets, and food will be the sole source and supplier of seed for use in industrial hemp production.

The commissioner of agriculture, markets, and food shall charge a fee for each license granted to industrial hemp growers. The revenue from these fees is to be used to defray the costs of licensing and regulating industrial hemp growers and to fund a research program on industrial hemp production to be conducted by the university of New Hampshire.

The bill grants the commissioner of agriculture, markets, and food rulemaking authority with respect to licensing and inspection of industrial hemp growers.

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Explanation: Matter added to current law appears in ***bold italics***.

Matter removed from current law appears [~~in brackets and struckthrough.~~]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

98-2010

09/01

STATE OF NEW HAMPSHIRE

In the Year of Our Lord One Thousand Nine Hundred and Ninety-Eight

AN ACT permitting the development of an industrial hemp industry in New Hampshire and continually appropriating a special fund.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 New Chapter; Industrial Hemp. Amend RSA by inserting after chapter 433-A the following new chapter:

CHAPTER 433-B

INDUSTRIAL HEMP

433-B:1 Purpose. The purpose of this chapter is to permit the development in New Hampshire of an industrial hemp industry, and to assure that production of industrial hemp is in compliance with state laws.

433-B:2 Definitions. In this chapter:

- I. "Commissioner" means the commissioner of agriculture, markets, and food.
- II. "Grower" means any person or business entity licensed under this chapter by the commissioner as an industrial hemp grower.
- III. "Hemp products" means all products made from industrial hemp, including, but not limited to, cloth, cordage, fiber, food, fuel, paint, paper, particle board, plastics, seed, seed meal and seed oil for consumption, and certified seed for cultivation if such seeds originate from industrial hemp varieties.
- IV. "Industrial hemp" means all parts and varieties of the plant *cannabis sativa*, whether growing or not, that contain a tetrahydrocannabinol concentration of one percent or less by weight and are cultivated or possessed by a licensed grower in compliance with this chapter.
- V. "Records" means all commercial documents related to the production of industrial hemp, including accounts, correspondence, declarations, purchase orders, registers, seed invoices and tetrahydrocannabinol (THC) concentration analysis reports, including all documentation required under this chapter and by any other state law regarding the growing and cultivation of industrial hemp.
- VI. "Tetrahydrocannabinol" or "THC" means synthetic equivalents of the substances contained in the plant, or in the resinous extractives of, *cannabis*, or synthetic substances, derivatives, and their isomers with similar chemical structure and pharmacological activity.

433-B:3 Industrial Hemp an Agricultural Product. Industrial hemp is an agricultural product which may be grown, produced, possessed and commercially traded in New Hampshire pursuant to the provisions of this chapter.

433-B:4 Licensing; Application.

- I. Any person or business entity wishing to engage in the production of industrial hemp shall be licensed as an industrial hemp grower by the commissioner. A license from the commissioner shall authorize industrial hemp production only at a site or sites as specified by the license.
- II. A license from the commissioner shall be valid for 24 months and may be renewed, but shall not be transferable. An application for a license shall be filed with the commissioner by January 1, and a license granted by the commissioner shall be issued by February 1 of the same calendar year.
- III. To qualify for a license from the commissioner, an applicant shall demonstrate to the satisfaction of the commissioner, in a manner prescribed by the commissioner, that the applicant intends to and is capable of growing industrial hemp, and has adopted methods to ensure its safe production, which at a minimum shall include:
 - (a) Furnishing the commissioner with a guaranteed irrevocable letter of credit or a surety bond executed by a surety company authorized to transact business in this state, in the sum of not less than \$2,000, obtained for the sole benefit of any person suffering loss or damage from violations of this chapter, or of the state of New Hampshire to cover the cost of destroying any industrial hemp crop not in compliance with this chapter.
 - (b) Securing the supply of all industrial hemp seed obtained for planting in compliance with this chapter.

- (c) Ensuring the integrity of the industrial hemp crop while it is in the field, which shall include filing with the commissioner the location and acreage of all parcels sown and other field reference information as may be required by the commissioner.
- (d) Ensuring that all parts of the industrial hemp plant not entering the stream of commerce as hemp products, such as flowers and leaves, are destroyed or recycled at the place of production.
- (e) Agreeing to the provisions of RSA 433-A:6, II and III, regarding inspections by the commissioner.
- (f) Maintaining records that reflect compliance with the provisions of this chapter and with all other state laws regulating the planting and cultivation of hemp.
- (g) Every grower shall maintain all production records for at least 3 years at the production site.

433-B:5 Seed; Importation.

- I. The commissioner shall be the sole source and supplier of seed for use in industrial hemp production in the state. The commissioner shall by rule adopt measures to secure all hemp seed under the control of the commissioner, and to ensure that all hemp seed supplied to and used by growers is of only those varieties which meet the THC limitations of this chapter.
- II. A grower shall use hemp seed obtained exclusively from the commissioner.

433-B:6 Administration; Inspection; Rules.

- I. The commissioner shall administer and enforce the provisions of this chapter.
- II. The commissioner is authorized to investigate compliance with this chapter, and shall have access, subject to the provisions of paragraph III, to all land, buildings, or places where industrial hemp is grown, kept, stored, or handled, and to all records relating to hemp production. The commissioner may take samples of up to 1/10 of one percent of the industrial hemp crop of a grower, to test the crop THC content to ensure compliance with this chapter and to provide a basis for sanctions or suspension of a grower out of compliance. The commissioner may make copies of any records.
- III. The commissioner shall have access to the properties and records specified in paragraph II during regular business hours upon the consent of the grower, or when the commissioner has substantial justification to believe that any grower who is licensed under this chapter is otherwise in violation of this chapter or rules adopted under it.
- IV. The commissioner shall adopt rules, pursuant to RSA 541-A, to implement this chapter.

433-B:7 Revocation and Suspension of License; Enforcement.

- I. The commissioner may deny, suspend, revoke, or refuse to renew the license of any grower that:
 - (a) Makes a false statement or misrepresentation on an application for a license or renewal of a license.
 - (b) Fails to comply with or violates any provisions of this chapter or any rule adopted under it.
 - (c) Fails to take any action required by the commissioner under the provisions of this chapter.
- II. Revocation or suspension of a license may be in addition to any criminal penalties or fines

imposed on a grower under other state law.

433-B:8 Fee; Cost of Seed; Special Fund.

I. A fee shall be charged by the commissioner for each license granted to a grower under this chapter. The fee amount charged for the first growing season shall be \$10 per acre of land under cultivation. After the first growing season, the commissioner shall recommend a fee amount to the general court for its approval, to be used beginning with the growing season following the first growing season. All fee revenue shall be deposited in the special program fund established in paragraph III.

II. The commissioner shall by rule establish hemp seed prices to be charged growers under provisions of RSA 433-B:3. All proceeds of seed sales shall be deposited in the industrial hemp special program fund established in paragraph III.

III. An industrial hemp special program fund is established in the office of the state treasurer. All moneys in the fund shall be nonlapsing and continually appropriated to the commissioner and used to defray the cost of implementing this chapter.

433-B:9 Research; University of New Hampshire.

I. The university of New Hampshire is authorized to undertake research of industrial hemp production in the state, after receiving a license to grow hemp both from the commissioner and from the USDEA. The commissioner may waive fee requirements for the university. The commissioner shall oversee the university research, which shall be mutually agreed upon by the commissioner and the university, and which shall include:

(a) Industrial hemp test plots, to assess optimum New Hampshire soils and other growing conditions.

(b) Analysis of minimum THC levels obtainable in industrial hemp production.

(c) Analysis of market economic conditions affecting the development of an industrial hemp industry in the state of New Hampshire.

II. The commissioner and the university shall cooperatively seek funds from both public and private sources to implement this section. Such funds shall be deposited into the industrial hemp special program fund.

III. By December 1, 1998, and annually thereafter, the university shall report on the status of research authorized by this section, including progress in securing funding for it, to the house environment and agriculture committee and the senate environment committee.

433-B:10 Report. The commissioner shall by January 15 of each year report to the house environment and agriculture committee and the senate environment committee on implementation of this chapter and on the commercialization of industrial hemp in this state and elsewhere in the world, and recommend any changes to this chapter deemed appropriate.

2 New Subparagraph; Industrial Hemp Special Program Fund. Amend RSA 6:12, I by inserting after subparagraph (qqq) the following new subparagraph:

(rrr) Moneys received under RSA 433-B:8 and RSA 433-B:9, which shall be deposited in the industrial hemp special program fund established in RSA 433-B:8, III.

3 Effective Date. This act shall take effect July 1, 1998.

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12/17/97

HB 1576-FN-A - FISCAL NOTE

AN ACT permitting the development of an industrial hemp industry in New Hampshire and continually appropriating a special fund.

FISCAL IMPACT:

The Department of Agriculture and the University System of New Hampshire are unable to estimate the fiscal impact of this bill on state restricted revenues and expenditures. There will be no fiscal impact on county or local revenues and expenditures.

METHODOLOGY:

The Department cannot estimate the following:

- the cost to import hemp seed or if the seed would clear U.S. Customs;
- the cost to locate overseas sources of hemp seed;
- the cost to obtain customs clearances;
- the cost to establish THC testing protocols since there are no current commercial applications; and
- the amount of acreage that would be planted.

The University System cannot estimate the cost of a research project or determine if one would even be started but assumes that all costs would be paid by the money in the Industrial Hemp Special Program Fund.