HOUSE BILL 1888

State	of	Washington	63rd Legislature	2013	Regular	Session

By Representatives Shea, Hurst, Condotta, and Holy

1 AN ACT Relating to industrial hemp; adding a new chapter to Title 2 15 RCW; creating a new section; and prescribing penalties.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. Sec. 1. A fair and honest reading of the United 5 States Constitution with an original understanding of the founders and ratifiers makes it quite clear that the federal government has no б 7 constitutional authority to override state laws on marijuana. All three branches of the federal government, however, have interpreted 8 9 (and reinterpreted) the commerce clause of the Constitution to authorize them to engage in this activity, even though there is 10 supposedly no "legal" commerce in the plant. At best, these arguments 11 are dubious; at worst an intentional attack on the Constitution and 12 As understood at the time of the founding, the 13 your liberty. 14 regulation of commerce was meant to empower congress to regulate the buying and selling of products made by others (and sometimes land), 15 16 associated finance and financial instruments, and navigation and other jurisdictional This 17 carriage, across state lines. interstate 18 regulation of "commerce" did not include agriculture, manufacturing, 19 mining, malum in se crime, or land use. Nor did it include activities

that merely "substantially affected" commerce. This act attempts to reassert this original meaning of the commerce clause over wide areas of policy and effectively nullify federal laws and regulations that violate such limitations by regulating commerce and other activities that are solely intrastate.

6 <u>NEW SECTION.</u> **Sec. 2.** The purpose of this chapter is to permit the 7 development in Washington of an industrial hemp industry and to ensure 8 that production of industrial hemp is in compliance with state law.

9 <u>NEW SECTION.</u> Sec. 3. The definitions in this section apply 10 throughout this chapter unless the context clearly requires otherwise.

(1) "Director" means the director of the department of agriculture.
 (2) "Grower" means any person or business entity licensed under
 this chapter by the director as an industrial hemp grower.

14 (3) "Hemp products" includes all products made from industrial hemp 15 including, but not limited to, cloth, cordage, fiber, food, fuel, 16 paint, paper, particle board, plastics, seed, seed meal and seed oil 17 for consumption, and certified seed for cultivation if the seeds 18 originate from industrial hemp varieties.

19 (4) "Industrial hemp" means all parts and varieties of the plant 20 cannabis sativa, whether growing or not, that contain а 21 tetrahydrocannabinol concentration of one percent or less by weight and 22 are cultivated or possessed by a licensed grower in compliance with 23 this chapter.

24 (5) "Records" means all commercial documents related to the 25 production of industrial hemp, including accounts, correspondence, 26 purchase orders, registers, declarations, seed invoices, and tetrahydrocannabinol concentration analysis reports, including all 27 28 documentation required under this chapter and by any other state law regarding the growing and cultivation of industrial hemp. 29

30 (6) "Tetrahydrocannabinol" or "THC" means synthetic equivalents of 31 the substances contained in the plant, or in the resinous extractives 32 of, cannabis, or synthetic substances, derivatives, and their isomers 33 with similar chemical structure and pharmacological activity.

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NEW SECTION. Sec. 4. Industrial hemp is an agricultural product

which may be grown, produced, possessed, and commercially traded in the
 state pursuant to the provisions of this chapter.

3 <u>NEW SECTION.</u> Sec. 5. (1) Any person or business entity wishing to 4 engage in the production of industrial hemp must be licensed as an 5 industrial hemp grower by the director. A license from the director 6 authorizes industrial hemp production only at a site or sites as 7 specified by the license.

8 (2) A license from the director is valid for twenty-four months and 9 may be renewed, but may not be transferred. An application for a 10 license must be filed with the director by January 1st, and a license 11 granted by the director must be issued by February 1st of the same 12 calendar year.

13 (3) To qualify for a license from the director, an applicant shall 14 demonstrate to the satisfaction of the director, in a manner prescribed 15 by the director, that the applicant intends to and is capable of 16 growing industrial hemp and has adopted methods to ensure its safe 17 production, which at a minimum include:

(a) Furnishing the director with an affirmation that the grower is
now and will continue to be in compliance with all state law regulating
the planting and cultivation of hemp;

21 (b) Furnishing the director with a guaranteed irrevocable letter of 22 credit or a surety bond executed by a surety company authorized to 23 transact business in this state, in the sum of not less than two 24 thousand dollars. Any resident of this state injured by a harmful act 25 of the licensee, the licensee's agents, servants, or operators has a 26 cause of action in his or her own name, on the bond of the licensee, for the damage sustained. However, the aggregate liability of the 27 surety to all residents of this state may in no event exceed the 28 29 principal amount of the bond;

30 (c) Securing the supply of all industrial hemp seed obtained for 31 planting in compliance with this chapter;

32 (d) Ensuring the integrity of the industrial hemp crop while it is 33 in the field, which includes filing with the director the location and 34 acreage of all parcels sown and other field reference information as 35 may be required by the director;

36 (e) 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 where the industrial hemp is grown;

3 (f) Agreeing to the provisions of section 7 (2) and (3) of this act
4 regarding inspections by the director; and

5 (g) Maintaining records that reflect compliance with the provisions 6 of this chapter and with all other state law regulating the planting 7 and cultivation of hemp.

8 (4) Every grower shall maintain all production records for at least9 three years at the production site.

10 <u>NEW SECTION.</u> Sec. 6. (1) The director shall be the sole source 11 and supplier of seed for use in industrial hemp production in the 12 state. The director shall by rule adopt measures to secure all hemp 13 seed under the control of the director and to ensure that all hemp seed 14 supplied to and used by growers is of only those varieties that meet 15 the THC limitations of this chapter.

16 (2) A grower may only use hemp seed obtained exclusively from the 17 director.

18 <u>NEW SECTION.</u> Sec. 7. (1) The director shall administer and 19 enforce the provisions of this chapter.

20 (2) The director is authorized to investigate compliance with this 21 chapter, and shall have access, subject to the provisions of subsection 22 (3) of this section, to all land, buildings, or places where industrial hemp is grown, kept, stored, or handled, and to all records relating to 23 24 hemp production. The director may take samples of up to one-tenth of 25 one percent of the industrial hemp crop of a grower, to test the crop 26 THC content to ensure compliance with this chapter and to provide a 27 basis for sanctions or suspension of a grower out of compliance. The director may make copies of any records. 28

(3) The director shall have access to the properties and records specified in subsection (2) of this section during regular business hours upon the consent of the grower, or when the director 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.

35 (4) The director shall adopt rules to implement this chapter.

<u>NEW SECTION.</u> Sec. 8. (1) The director may deny, suspend, revoke,
 or refuse to renew the license of any grower that:

3 (a) Makes a false statement or misrepresentation on an application
4 for a license or renewal of a license;

5 (b) Fails to comply with or violates any provision of this chapter 6 or any rule adopted under it; or

7 (c) Fails to take any action required by the director under the 8 provisions of this chapter.

9 (2) Revocation or suspension of a license may be in addition to any 10 criminal penalties or fines imposed on a grower under other state law.

11 NEW SECTION. Sec. 9. (1) A fee shall be charged by the director 12 for each license granted to a grower under this chapter. The fee 13 amount charged for the first growing season shall be ten dollars per 14 acre of land under cultivation. After the first growing season, the director shall recommend a fee amount to the legislature for its 15 16 approval, to be used beginning with the growing season following the 17 first growing season. All fee revenue must be deposited in the 18 industrial hemp account created in section 10 of this act.

19 (2) The director shall by rule establish hemp seed prices to be 20 charged growers under provisions of section 6 of this act. All 21 proceeds of seed sales must be deposited in the industrial hemp account 22 created in section 10 of this act.

NEW SECTION. Sec. 10. The industrial hemp account is created in the state treasury. All receipts from fees from section 9 of this act must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the purposes of defraying the cost of implementing this chapter.

29 <u>NEW SECTION.</u> Sec. 11. (1) Washington State University is 30 authorized to undertake research of industrial hemp production in the 31 state, after receiving a license to grow hemp from the director. The 32 director may waive fee requirements. The director shall oversee the 33 university research, which shall be mutually agreed upon by the 34 director and the university, and which must include:

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

3 (b) Analysis of minimum THC levels obtainable in industrial hemp 4 production; and

5 (c) Analysis of market economic conditions affecting the 6 development of an industrial hemp industry in the state.

7 (2) The director and Washington State University shall
8 cooperatively seek funds from both public and private sources to
9 implement this section.

10 (3) By January 15, 2014, and annually thereafter, Washington State 11 University shall report on the status of research authorized by this 12 section, including progress in securing funding for it, to the relevant 13 committees of the legislature with jurisdiction over agricultural 14 activities.

NEW SECTION. Sec. 12. By January 15th of each year, the director must report to the relevant committees of the legislature with jurisdiction over agricultural activities regarding 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.

21 <u>NEW SECTION.</u> **Sec. 13.** Sections 2 through 12 of this act 22 constitute a new chapter in Title 15 RCW.

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