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H.455

Introduced by Representatives Sharpe of Bristol, Fisher of Lincoln, Bohi of
Hartford, Johnson of South Hero, Kiss of Burlington, Larson of
Burlington, Maier of Middlebury, Nease of Johnson and Nuovo
of Middlebury

Referred to Committee on

Date:

Subject: Agriculture; industrial hemp

Statement of purpose: This bill proposes to permit the development of an
industrial hemp industry in Vermont.

AN ACT RELATING TO INDUSTRIAL HEMP

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 6 V.S.A. chapter 34 is added to read:

CHAPTER 34. INDUSTRIAL HEMP

§ 560. DEFINITIONS

As used in this chapter:

(1) “Grower” means any person or business entity licensed under this
chapter by the secretary as an industrial hemp grower.

(2) “Hemp products” means all products made from industrial hemp,
including, but not limited to, cloth, cordage, fiber, food, fuel, paint, paper,

1 particle board, plastics, seed, seed meal, and seed oil, and certified seed for
2 cultivation if such seeds originate from industrial hemp varieties.

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

7 (4) "Records" means all commercial documents related to the
8 production of industrial hemp, including accounts, correspondence,
9 declarations, purchase orders, registers, seed invoices, and
10 tetrahydrocannabinol concentration analysis reports, including all
11 documentation required under this chapter and by any other state law or
12 regarding the growing and cultivation of industrial hemp.

13 (5) "Secretary" means the secretary of agriculture, food and markets.

14 (6) "Tetrahydrocannabinol" or "THC" means synthetic equivalents of
15 the substances contained in the plant or in the resinous extractives of cannabis
16 or synthetic substances, derivatives, and their isomers with similar chemical
17 structure and pharmacological activity.

18 § 561. INDUSTRIAL HEMP: AN AGRICULTURAL PRODUCT

19 Industrial hemp is an agricultural product which may be grown, produced,
20 possessed, and commercially traded in Vermont pursuant to the provisions of
21 this chapter.

1 § 562. LICENSING; APPLICATION

2 (a) Any person or business entity wishing to engage in the production of
3 industrial hemp must be licensed as an industrial hemp grower by the
4 secretary. A license from the secretary shall authorize industrial hemp
5 production only at a site or sites specified by the license.

6 (b) A license from the secretary shall be valid for 24 months and may be
7 renewed but shall not be transferable. An application for a license shall be
8 filed with the secretary by January 1, and a license granted by the secretary
9 shall be issued by February 1 of the same calendar year.

10 (c) To qualify for a license from the secretary, an applicant shall
11 demonstrate to the satisfaction of the secretary, in a manner prescribed by the
12 secretary, that the applicant intends to grow and is capable of growing
13 industrial hemp and has adopted methods to ensure its safe production, which
14 at a minimum shall include:

15 (1) Furnishing the secretary with an affirmation that the grower is now
16 and will continue to be in compliance with all state laws regulating the planting
17 and cultivation of hemp.

18 (2) Furnishing the secretary with a guaranteed irrevocable letter of credit
19 or a surety bond executed by a surety company authorized to transact business
20 in this state in the sum of not less than \$2,000.00 obtained for the sole benefit
21 of any person suffering loss or damage from violations of this chapter or of the

1 state of Vermont to cover the cost of destroying any industrial hemp crop not
2 in compliance with this chapter.

3 (3) Securing the supply of all industrial hemp seed obtained for planting
4 in compliance with this chapter.

5 (4) Ensuring the integrity of the industrial hemp crop while it is in the
6 field, which shall include filing with the secretary the location and acreage of
7 all parcels sown and other field reference information as may be required by
8 the secretary.

9 (5) Ensuring that all parts of the industrial hemp plant not entering the
10 stream of commerce as hemp products, such as flowers and leaves, are
11 destroyed or recycled at the place of production.

12 (6) Agreeing to the provisions of subsections 564(b) and (c) of this title
13 regarding inspections by the secretary.

14 (7) Maintaining records that reflect compliance with the provisions of
15 this chapter and with all other state laws regulating the planting and cultivation
16 of hemp.

17 (d) Every grower shall maintain all production records for at least three
18 years at the production site.

19 § 563. SEED; IMPORTATION

20 (a) The secretary shall be the sole source and supplier of seed for use in
21 industrial hemp production in the state. The secretary shall by rule adopt

1 measures to secure all hemp seed under the control of the secretary and to
2 ensure that all hemp seed supplied to and used by growers is of only those
3 varieties which meet the THC limitations of this chapter.

4 (b) A grower shall use hemp seed obtained exclusively from the secretary.

5 § 564. ADMINISTRATION; INSPECTION; RULES

6 (a) The secretary shall administer and enforce the provisions of this
7 chapter.

8 (b) The secretary is authorized to investigate compliance with this chapter
9 and shall have access subject to the provisions of subsection (c) of this section
10 to all land, buildings, or places where industrial hemp is grown, kept, stored, or
11 handled and to all records relating to hemp production. The secretary may take
12 samples of up to one-tenth of one percent of the industrial hemp crop of a
13 grower to test the crop's THC content to ensure compliance with this chapter
14 and to provide a basis for sanctions or suspension of a grower out of
15 compliance. The secretary may make copies of any records.

16 (c) The secretary shall have access to the properties and records specified
17 in subsection (b) of this section during regular business hours upon the consent
18 of the grower or when the secretary has substantial justification to believe that
19 any grower who is licensed under this chapter is otherwise in violation of this
20 chapter or rules adopted under it.

21 (d) The secretary shall adopt rules to implement this chapter.

1 § 565. REVOCATION AND SUSPENSION OF LICENSE;

2 ENFORCEMENT

3 (a) The secretary may deny, suspend, revoke, or refuse to renew the license
4 of any grower that:

5 (1) Makes a false statement or misrepresentation on an application for a
6 license or renewal of a license.

7 (2) Fails to comply with or violates any provision of this chapter or any
8 rule adopted under it.

9 (3) Fails to take any action required by the secretary under the
10 provisions of this chapter.

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

13 § 566. FEE; COST OF SEED; SPECIAL FUND

14 (a) A fee shall be charged by the secretary for each license granted to a
15 grower under this chapter. The fee amount charged for the first growing
16 season shall be \$10.00 per acre of land under cultivation. After the first
17 growing season, the secretary shall recommend to the general assembly for its
18 approval a fee amount necessary to pay the costs of implementing this chapter.
19 All fee revenue shall be deposited in the special program fund established by
20 subsection (c) of this section.

1 (b) The secretary shall by rule establish hemp seed prices to be charged
2 growers under provisions of section 563 of this title. All proceeds of seed sales
3 shall be deposited in the special program fund established by subsection (c) of
4 this section.

5 (c) An industrial hemp special program fund is established in the office of
6 the state treasurer and shall be administered in accordance with subchapter 5 of
7 chapter 7 of Title 32. All monies in the fund shall be used only to defray the
8 cost of implementing this chapter.

9 § 567. REPORT

10 The secretary shall by January 15 of each year report to the house and
11 senate committees on agriculture on implementation of this chapter and on the
12 commercialization of industrial hemp in this state and elsewhere in the world,
13 and recommend any changes to this chapter deemed appropriate.

14 Sec. 2. EFFECTIVE DATE

15 This act shall take effect on passage.