



Senate

General Assembly

File No. 230

January Session, 2019

Substitute Senate Bill No. 893

Senate, March 28, 2019

The Committee on Environment reported through SEN. COHEN of the 12th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING A PILOT PROGRAM FOR HEMP PRODUCTION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) Not later than July 1, 2020,
2 the Commissioner of Agriculture shall adopt regulations, in
3 accordance with the provisions of chapter 54 of the general statutes, to
4 establish an agricultural pilot program for the purpose of growing or
5 cultivating industrial hemp in accordance with the provisions of
6 section 7 USC 5940, as amended from time to time. Such pilot program
7 shall be established for the purpose of studying the growth, cultivation
8 and marketing of industrial hemp in a manner that ensures that only
9 such department grows or cultivates such industrial hemp through the
10 use of sites that are certified by, and registered with, the Department of
11 Agriculture. In developing the regulations required by this section, the
12 commissioner shall review and incorporate the provisions of the
13 Kentucky Department of Agriculture Industrial Hemp Research Pilot
14 Program 2017 Policy Guide, as the commissioner deems appropriate

15 and consistent with the provisions of 7 USC 5940, as amended from
16 time to time. For the purposes of this section, "industrial hemp" means
17 the plant Cannabis sativa L. and any part of such plant, whether
18 growing or not, with a delta-9 tetrahydrocannabinol concentration of
19 not more than 0.3 per cent on a dry weight basis.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

ENV *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 20 \$	FY 21 \$
Department of Agriculture	GF - Cost	188,108	200,868
State Comptroller - Fringe Benefits ¹	GF - Cost	96,040	102,409
Ag. Experiment Station	GF - Cost	45,055	47,748

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Department of Agriculture (DoAg) to adopt regulations establishing an industrial hemp pilot program in accordance with federal law.

The pilot program established under the bill must study the growth, cultivation, and marketing of industrial hemp, and ensure that hemp growth and cultivation is done only at sites certified by, and registered with, DoAg. The bill requires the plant to have a delta-9 tetrahydrocannabinol (THC) concentration of not more than 0.3 percent on a dry weight basis.

The bill results in costs to DoAg of \$188,108 in FY 20 and \$200,868 in FY 21 to hire two Agricultural Marketing and Inspection Representatives and a Fiscal/Administrative Assistant. It also results in costs of \$45,055 in FY 20 and \$47,758 in FY 21 to the Agricultural

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.19% of payroll in FY 20 and FY 21.

Experiment Station (AES) to hire a laboratory Technician to perform the THC testing required under the bill's provisions. There are additional costs of \$96,040 in FY 20 and \$102,409 in FY 21 for associated fringe benefits for the four new positions required to implement the bill's provisions.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 893*****AN ACT CONCERNING A PILOT PROGRAM FOR HEMP PRODUCTION.*****SUMMARY**

This bill requires the state Department of Agriculture (DoAg) commissioner, by July 1, 2020, to adopt regulations establishing an industrial hemp pilot program in Connecticut in accordance with federal law. Under the bill and federal law, “industrial hemp” means the plant *Cannabis sativa* L. and any part of the plant, whether growing or not, with a delta-9 tetrahydrocannabinol (THC) concentration of not more than 0.3 percent on a dry weight basis.

The pilot program must study the growth, cultivation, and marketing of industrial hemp, and ensure that hemp growth and cultivation is done only at sites certified by, and registered with, DoAg.

The bill requires the commissioner, when developing regulations, to review and incorporate provisions of the Kentucky Department of Agricultural Industrial Hemp Research Pilot Program 2017 Policy Guide as she deems appropriate and consistent with federal law.

EFFECTIVE DATE: Upon passage

BACKGROUND***Federal Law***

The federal 2014 Agricultural Act (P.L. 113-79), known as the 2014 farm bill, allows a higher education institution or state agriculture agency to grow or cultivate industrial hemp under a pilot program or other research program if also allowed by state law (§ 7606). Under such a program, any site used for growing or cultivating industrial

hemp must be certified by, and registered with, the state’s agriculture department.

The federal 2018 Agriculture Improvement Act (P.L. 115-334), known as the 2018 farm bill, allows states to regulate hemp production, but only under an enforcement plan the state agriculture department submits to the U.S. Department of Agriculture (USDA) for its approval (§ 10113).

Related Bill

sSB 598, reported favorably by the Environment Committee, requires DoAg to submit a hemp production plan to the USDA for approval under the 2018 farm bill and adopt regulations establishing a licensing program for growing, cultivating, producing, and processing industrial hemp.

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea 28 Nay 0 (03/08/2019)