

CHAPTER 11

[Engrossed Substitute Senate Bill 6206]

INDUSTRIAL HEMP GROWING--PILOT PROGRAM AND RESEARCH

AN ACT Relating to authorizing the growing of industrial hemp; adding a new chapter to Title 15 RCW; creating a new section; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature intends to authorize the growing of industrial hemp as a legal, agricultural activity in this state as part of an agricultural pilot program in conformance with the agricultural act of 2014, 128 Stat. 912 § 7606, P.L. 113-79 (Feb. 7, 2014).

NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Department" means the Washington state department of agriculture.

(2) "Grower" means any person licensed to grow industrial hemp under this chapter.

(3) "Industrial hemp" means all parts and varieties of the genera Cannabis, cultivated or possessed by a grower, whether growing or not, that contain a THC concentration of 0.3 percent or less by dry weight. Industrial hemp does not include plants of the genera Cannabis that meet the definition of "marijuana" as defined in RCW 69.50.101.

(4) "Industrial hemp research program" means an agricultural pilot program to study the growth, cultivation, or marketing of industrial hemp supervised by the department.

(5) "Person" means any natural person, firm, partnership, association, private or public corporation, government entity, or other business entity.

(6) "THC concentration" means the percent of total tetrahydrocannabinol, which is the combined percent of delta-9 tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the genera Cannabis.

NEW SECTION. Sec. 3. Except as otherwise provided in this chapter, industrial hemp is an agricultural product that may be grown, produced, possessed, processed, and exchanged in the state solely and exclusively as part of an industrial hemp research program supervised by the department. Processing any part of industrial hemp, except seed, as food, extract, oil, cake, concentrate, resin, or other preparation for topical use, oral consumption, or inhalation by humans is prohibited.

NEW SECTION. Sec. 4. (1) The department shall adopt rules pursuant to this chapter and chapter 34.05 RCW as necessary to license persons to grow hemp under an industrial hemp research program. The rules must include, but are not limited to:

(a) Fee amounts for license application, issuance, and renewal;

(b) Testing criteria and protocols for testing compliance with THC levels; and

(c) Grower qualifications. Grower qualifications include, at a minimum, that a person with a prior felony drug conviction within ten years of applying for a license not be eligible for the license. The department shall adopt by rule the persons in associations, corporations, and other business entities to be qualified under this felony drug conviction limitation.

(2) The department may adopt rules for administration of an industrial hemp research program, including the goals of the program.

(3) The department may adopt rules for administration of an industrial hemp seed certification program pursuant to chapter 15.49 RCW.

(4) All requirements in this section are subject to the availability of amounts appropriated for the specific purposes described.

NEW SECTION. Sec. 5. (1) The department shall establish an industrial hemp research program in which persons grow or cultivate industrial hemp for researching the feasibility and desirability of industrial hemp production in Washington. The department shall supervise the program through licensure and seed certification, but may not fund growing operations. The department may enter into interagency agreements with other public entities in connection with the program.

(2) The department shall establish a licensure program to allow persons to grow industrial hemp in the state as part of the industrial hemp research program.

(3) The department shall establish an industrial hemp seed certification program in support of the industrial hemp research program. The department's authority to implement this program incorporates the department's authority related to seed certification, inspection, fee setting, and enforcement under chapter 15.49 RCW.

(4) The programs under this chapter are subject to a grant of necessary permissions, waivers, or other form of valid legal status by the United States drug enforcement administration or other appropriate federal agency pursuant to applicable federal laws relating to industrial hemp.

(5) All requirements in this section are subject to the availability of amounts appropriated for the specific purposes described.

NEW SECTION. Sec. 6. (1) Any person seeking to grow industrial hemp as part of the industrial hemp research program shall apply to the department on a form provided by the department. At a minimum, the application form must include:

(a) The name and mailing address of the applicant, including the business address of any corporate applicant and the applicant's registered agent and the agent's address;

(b) The legal description and global positioning coordinates sufficient to locate the proposed industrial hemp production fields;

(c) A signed declaration indicating whether the applicant has ever been convicted of a felony or misdemeanor;

(d) Written consent allowing the department, if a license is ultimately issued to the applicant, to enter onto the industrial hemp production fields to conduct physical inspections of industrial hemp planted and grown by the applicant, and to ensure compliance with the requirements of this chapter;

(e) Any other information required by the department; and

(f) The payment of a nonrefundable application fee, in an amount set by the department.

(2) The department may approve licenses only for those selected growers whose demonstration plots will advance the goals of the department's industrial hemp research program. The location, and the total number and acreage, of all

demonstration plots to be grown by license holders must be determined at the discretion of the department.

(3) The department may use failure to comply with the law and with the conditions of the license issued by the department as grounds for revocation, suspension, or denial of future applications.

(4) Each license is valid for a period of one year from the date of issuance and may be renewed in successive years. Each annual renewal requires the payment of a license renewal fee.

(5) All moneys collected under this chapter must be deposited in an account within the agricultural local fund and used solely for carrying out this chapter. No appropriation is required for disbursement of moneys from the account by the director.

(6) A record of each license issued by the department under this section must be immediately forwarded to the sheriff of each county where the industrial hemp is licensed to be planted, grown, and/or harvested.

(7) All records, data, and information filed in support of a license application are exempt from disclosure under chapter 42.56 RCW, the public records act.

(8) All requirements in this section are subject to the availability of amounts appropriated for the specific purposes described.

NEW SECTION. **Sec. 7.** (1) Subject to receiving federal or private funds for this purpose, Washington State University shall study the feasibility and desirability of industrial hemp production in Washington. In conducting the study, Washington State University shall gather information from agricultural and scientific literature, consult with experts and the public, and review the best practices of other states and countries worldwide regarding the development of markets for industrial hemp. The study must include an analysis of:

(a) The market economic conditions affecting the development of an industrial hemp industry in the state;

(b) The estimated value-added benefit that Washington's economy would reap from having a developed industrial hemp industry in the state;

(c) Whether Washington soils and growing conditions are appropriate for use of industrial hemp in the rotation of other crops and whether soils and growing conditions are appropriate for farming industrial hemp at economically viable levels;

(d) Whether growing industrial hemp will introduce or serve as a vector for plant disease affecting related species, such as hops;

(e) The agronomy research being conducted worldwide relating to industrial hemp varieties, production, and use; and

(f) Other legislative acts, experiences, and outcomes around the world regarding industrial hemp production.

(2)(a) Washington State University shall report its findings to the legislature by January 14, 2017.

(b) The report must include recommendations for any legislative actions necessary to encourage and support the development of an industrial hemp industry in the state of Washington.

(3) This section expires August 1, 2017.

NEW SECTION. **Sec. 8.** Sections 1 through 6 of this act constitute a new chapter in Title 15 RCW.

Passed by the Senate February 11, 2016.

Passed by the House March 1, 2016.

Vetoed by the Governor March 10, 2016.

Filed in Office of Secretary of State March 30, 2016.

CHAPTER 12

[Senate Bill 6220]

ECONOMIC DEVELOPMENT--FEDERAL FUNDING OPPORTUNITIES--COORDINATION AND TRACKING

AN ACT Relating to promoting economic development by maximizing the use of federal economic development funding opportunities; and amending RCW 43.330.040 and 43.330.050.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 43.330.040 and 1993 c 280 s 6 are each amended to read as follows:

(1) The director shall supervise and administer the activities of the department and shall advise the governor and the legislature with respect to community and economic development matters affecting the state.

(2) In addition to other powers and duties granted to the director, the director shall have the following powers and duties:

(a) Enter into contracts on behalf of the state to carry out the purposes of this chapter;

(b) Act for the state in the initiation of or participation in any multigovernmental program relative to the purpose of this chapter;

(c) Accept and expend gifts and grants, whether such grants be of federal or other funds;

(d) Appoint such deputy directors, assistant directors, and up to seven special assistants as may be needed to administer the department. These employees are exempt from the provisions of chapter 41.06 RCW;

(e) Prepare and submit budgets for the department for executive and legislative action;

(f) Submit recommendations for legislative actions as are deemed necessary to further the purposes of this chapter;

(g) Adopt rules in accordance with chapter 34.05 RCW and perform all other functions necessary and proper to carry out the purposes of this chapter;

(h) Delegate powers, duties, and functions as the director deems necessary for efficient administration, but the director shall be responsible for the official acts of the officers and employees of the department; and

(i) Perform other duties as are necessary and consistent with law.

(3) When federal or other funds are received by the department, they shall be promptly transferred to the state treasurer and thereafter expended only upon the approval of the director. The department must track the amount of federal economic development funding received and disbursed along with any required state, local, or other matching requirements and annually provide the information to the economic development committees of the house of representatives and the senate.