

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20

H.265

Introduced by Representatives Ralph of Hartland, Christie of Hartford, Burke  
of Brattleboro, Chesnut-Tangerman of Middletown Springs,  
Cina of Burlington, Colburn of Burlington, Gonzalez of  
Winooski, Jerome of Brandon, Kimbell of Woodstock, and  
O’Sullivan of Burlington

Referred to Committee on

Date:

Subject: Agriculture; agricultural development; hemp

Statement of purpose of bill as introduced: This bill proposes to require the  
Secretary of Agriculture, Food and Markets to establish a program to distribute  
industrial hemp seed for cultivation to persons registered in the State industrial  
hemp cultivation program. The bill would also make changes to State law to  
conform to amendments to federal law regarding the cultivation of hemp. In  
addition, the bill requires the Secretary of Agriculture, Food and Markets to  
develop education and outreach materials regarding the legal requirements for  
the cultivation of hemp and sale of hemp products under federal law.

An act relating to establishing a hemp seed distribution program

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

Sec. 1. FINDINGS

1       The General Assembly finds that:

2           (1) Dairy farming is vital to the economy, landscape, and culture of  
3       Vermont.

4           (2) Dairy farming contributes over \$2 billion to the Vermont economy  
5       each year.

6           (3) Dairy farms constitute approximately 15 percent of the State's land  
7       and provide the open space that defines the landscape of Vermont.

8           (4) Despite the vital contributions of dairy farming to Vermont, the  
9       dairy industry in Vermont is struggling as costs of production far exceed the  
10       milk prices that are fixed at artificially low prices under federal milk order.

11          (5) Since 2008, the number of dairy farms in Vermont has declined from  
12       approximately 1,100 farms to 750 farms in 2018, and the Agency of  
13       Agriculture, Food and Markets predict at least another eight to ten percent of  
14       dairy farms will go out of business in the next year.

15          (6) In order to survive, many dairy farms must diversify or transition to  
16       other types of farming, including cultivation of hemp.

17          (7) In 2018, the U.S. Congress enacted the Agricultural Improvement  
18       Act of 2018, known as the Federal Farm Bill, which included provisions  
19       removing hemp from the federal list of controlled substances and authorizing  
20       the cultivation of hemp and the sale of hemp products under a State registered

1 program or, where no state program existed a U.S. Department of Agriculture  
2 program.

3 (8) According to the Vermont Agency of Agriculture, Food and  
4 Markets, the cultivation of hemp could be a “game changer” for Vermont  
5 farming that could provide farmers new, additional sources of income to offset  
6 the impacts of low milk prices.

7 (9) To support farming in Vermont and foster the cultivation of hemp on  
8 Vermont dairy farms, the State should establish a program for the  
9 dissemination of hemp seed to farmers registering with the Agency of  
10 Agriculture, Food and Markets.

11 Sec. 2. 6 V.S.A. § 564 is amended to read:

12 § 564. REGISTRATION; ADMINISTRATION; ~~PILOT PROJECT~~

13 (a) The Secretary shall establish a ~~pilot~~ program to ~~research~~ regulate the  
14 growth, cultivation, and marketing of industrial hemp. Under the ~~pilot~~  
15 program, the Secretary shall register persons who will participate in the ~~pilot~~  
16 program through growing or cultivating industrial hemp. The Secretary shall  
17 certify the site where industrial hemp will be cultivated by each person  
18 registered under this chapter. A person who intends to participate in the ~~pilot~~  
19 program and grow industrial hemp annually shall register with the Secretary  
20 and submit on a form provided by the Secretary the following:

21 (1) the name and address of the person;

1           (2) a statement that the seeds obtained for planting are of a type and  
2           variety that do not exceed the maximum concentration of tetrahydrocannabinol  
3           set forth in subdivision 562(3) of this title; and

4           (3) the location and acreage of all parcels sown and other field reference  
5           information as may be required by the Secretary.

6           (b) The form provided by the Secretary pursuant to subsection (a) of this  
7           section shall include a notice statement that:

8           (1) cultivation and possession of industrial hemp in Vermont is a  
9           violation of the federal ~~Controlled Substances Act~~ law unless the industrial  
10          hemp is grown, cultivated, or marketed under a ~~pilot~~ program authorized by  
11          ~~section 7606 of the federal Agricultural Act of 2014, Pub. L. No. 113-79;~~  
12          section 10113 of the Agriculture Improvement Act of 2018, Pub. L. No. 115-  
13          334; and

14          ~~(2) federal prosecution for growing hemp in violation of federal law~~  
15          ~~may include criminal penalties, forfeiture of property, and loss of access to~~  
16          ~~federal agricultural benefits, including agricultural loans, conservation~~  
17          ~~programs, and insurance programs; and~~

18          ~~(3)~~ registrants may purchase or import hemp genetics from any state that  
19          complies with federal requirements for the cultivation of industrial hemp.

20          (c) A person registered with the Secretary pursuant to this section shall  
21          allow industrial hemp crops, throughout sowing, growing season, harvest,

1 storage, and processing, to be inspected and tested by and at the discretion of  
2 the Secretary or designee. The Secretary shall retain tests and inspection  
3 information collected under this section for the purposes of research of the  
4 growth and cultivation of industrial hemp.

5 (d) The Secretary may assess an annual registration fee of \$25.00 for the  
6 performance of his or her duties under this chapter.

7 Sec. 3. 6 V.S.A. § 566 is amended to read:

8 § 566. RULEMAKING AUTHORITY

9 (a) The Secretary may adopt rules to provide for the implementation of this  
10 chapter and the ~~pilot project~~ program authorized under this chapter, which may  
11 include rules to require hemp to be tested during growth for  
12 tetrahydrocannabinol levels and to require inspection and supervision of hemp  
13 during sowing, growing season, harvest, storage, and processing. ~~The~~  
14 ~~Secretary shall not adopt under this or any other section a rule that would~~  
15 ~~prohibit a person to grow hemp based on the legal status of hemp under federal~~  
16 ~~law.~~

17 (b) The Secretary shall adopt rules establishing how the Agency of  
18 Agriculture, Food and Markets will conduct research within the ~~pilot~~ program  
19 for industrial hemp.

20 (c) The Secretary shall adopt rules establishing requirements for the  
21 registration of processors of hemp and hemp-infused products.

1 Sec. 4. 6 V.S.A. § 569 is added to read:

2 § 569. HEMP SEED DISTRIBUTION PROGRAM

3 The Secretary shall establish a program to distribute industrial hemp seed  
4 for cultivation to each person registered under section 564 of this title. The  
5 Secretary shall distribute hemp seed under this section free of charge. The  
6 Secretary shall provide 25 pounds of hemp seed per acre of land identified in  
7 the registration application for cultivation.

8 Sec. 5. EDUCATION AND OUTREACH

9 The Secretary of Agriculture, Food and Markets, after consultation with the  
10 Attorney General and the Commissioner of Public Safety, shall develop  
11 education and outreach materials regarding the legal requirements for the  
12 cultivation of hemp and sale of hemp products under 10113 of the Agriculture  
13 Improvement Act of 2018. Pub. L. No. 115-334. The education and outreach  
14 material shall include:

15 (1) a summary of the requirements for application and participation in  
16 the industrial hemp program established under 6 V.S.A. chapter 34;

17 (2) a summary of the requirements under State and federal law for the  
18 sale of hemp products marketed as a drug, supplement, or food product; and

19 (3) information regarding the cultivation, harvesting, and testing of  
20 industrial hemp, including alternatives for disposition of industrial hemp that

- 1 tests in excess of 0.3 percent on a dry weight basis of delta-9
- 2 tetrahydrocannabinol concentration.
- 3 Sec. 6. EFFECTIVE DATE
- 4 This act shall take effect on July 1, 2019.