

1 TO THE HONORABLE SENATE:

2 The Committee on Agriculture and Forestry to which was referred Senate  
3 Bill No. 58 entitled “An act relating to the State hemp program” respectfully  
4 reports that it has considered the same and recommends that the bill be  
5 amended by striking out all after the enacting clause and inserting in lieu  
6 thereof the following:

7 Sec. 1. 1 V.S.A. chapter 34 is amended to read:

8 CHAPTER 34. HEMP

9 § 561. FINDINGS; INTENT

10 (a) Findings.

11 \* \* \*

12 (5) ~~The federal Agricultural Act of 2014, Pub. L. No. 113-79 authorized~~  
13 Section 10113 of the Agriculture Improvement Act of 2018, Pub. L. No. 115-  
14 334 ~~authorizes the growing, cultivation, and marketing of industrial hemp;~~  
15 ~~notwithstanding restrictions under the federal Controlled Substances Act, if~~  
16 ~~certain criteria are satisfied~~ under a U.S. Department of Agriculture approved  
17 State program.

18 (b) Purpose. The intent of this chapter is to establish policy and procedures  
19 for growing, processing, on-site processing, testing, and marketing hemp and  
20 hemp products in Vermont that comply with federal law so that farmers and

1 other businesses in the Vermont agricultural industry can take advantage of  
2 this market opportunity.

3 § 562. DEFINITIONS

4 As used in this chapter:

5 (1) “Agency” means the Agency of Agriculture, Food and Markets.

6 (2)(A) “Grow” means:

7 (i) planting, cultivating, harvesting, or drying of hemp; and

8 (ii) selling, storing, and transporting hemp grown by a grower.

9 (B) “Grow” may be used interchangeably with the word “produce.”

10 (3) “Grower” means a person who is registered with the Agency to  
11 produce hemp crops.

12 (4) “Hemp products” or “hemp-infused products” means all products  
13 made from hemp with the federally defined tetrahydrocannabinol  
14 concentration level for hemp derived from, or made by, processing hemp  
15 plants or plant parts, that are prepared in a form available for commercial sale,  
16 including cosmetics, personal care products, food intended for animal or  
17 human consumption, cloth, cordage, fiber, ~~food~~, fuel, paint, paper, construction  
18 materials, plastics, ~~seed, seed meal, seed oil, and certified seed for cultivation~~  
19 and any product containing one or more hemp-derived cannabinoids, such as  
20 cannabidiol.

1           ~~(3)~~(5) “Hemp” or “industrial hemp” means the plant *Cannabis sativa* L.  
2           and any part of the plant, ~~whether growing or not, with a delta-9~~  
3           ~~tetrahydrocannabinol concentration of not more than 0.3 percent on a dry~~  
4           ~~weight basis~~ including the seeds and all derivatives, extracts, cannabinoids,  
5           acids, salts, isomers, and salts of isomers, whether growing or not, with the  
6           federally defined tetrahydrocannabinol concentration level of hemp. “Hemp”  
7           shall be considered an agricultural commodity.

8           (6) “On-site process” means growing hemp and processing hemp or  
9           hemp products at the location where hemp is grown, provided that more than  
10          50 percent of the hemp or hemp products processed at the location shall be  
11          grown at the registered location.

12          (7) “On-site processor” means a person registered with the Agency to  
13          on-site process hemp or hemp products.

14          (8) “Process” means the storing, drying, trimming, handling,  
15          compounding, or converting of a hemp crop by a processor for a single grower  
16          or multiple growers into hemp products or hemp-infused products. “Process”  
17          includes transporting, aggregating, or packaging hemp from a single grower or  
18          multiple growers.

19          (9) “Processor” means a person who is registered with the Agency to  
20          process hemp crops. A retail establishment selling hemp products or hemp-  
21          infused products is not a processor.

1           ~~(4)~~(10) “Secretary” means the Secretary of Agriculture, Food and  
2           Markets.

3           § 563. HEMP; AN AGRICULTURAL PRODUCT

4           Industrial hemp is an agricultural product that may be grown as a crop  
5           produced, possessed, marketed, and commercially traded in Vermont pursuant  
6           to the provisions of this chapter and section 10113 of the Agriculture  
7           Improvement Act of 2018, Pub. L. No. 115-334. The cultivation of industrial  
8           hemp shall be subject to and comply with the required agricultural practices  
9           adopted under section 4810 of this title.

10          § 564. STATE HEMP PROGRAM; REGISTRATION; APPLICATION;  
11                 ADMINISTRATION; PILOT PROJECT

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

20                 ~~(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 unless the industrial hemp is~~  
10           ~~grown, cultivated, or marketed under a pilot program authorized by section~~  
11           ~~7606 of the federal Agricultural Act of 2014, Pub. L. No. 113-79;~~

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

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

18           ~~(c) A person registered with the Secretary pursuant to this section shall~~  
19           ~~allow industrial hemp crops, throughout sowing, growing season, harvest,~~  
20           ~~storage, and processing, to be inspected and tested by and at the discretion of~~  
21           ~~the Secretary or designee. The Secretary shall retain tests and inspection~~

1 ~~information collected under this section for the purposes of research of the~~  
2 ~~growth and cultivation of industrial hemp.~~

3 ~~(d) The Secretary may assess an annual registration fee of \$25.00 for the~~  
4 ~~performance of his or her duties under this chapter~~ The Secretary shall  
5 establish and administer a State Hemp Program to regulate the growing,  
6 processing, on-site processing, testing, and marketing of industrial hemp and  
7 hemp products in the State.

8 (b)(1) A person shall register annually with the Secretary as part of the  
9 State Hemp Program in order to grow, process, on-site process, or test hemp or  
10 hemp products in the State. A person shall apply for registration or renewal of  
11 a registration on a form provided by the Secretary. The application shall be  
12 accompanied by the fee required under section 569 of this title. The  
13 application or renewal form shall include:

14 (A) the name and address of the person applying for or renewing a  
15 registration;

16 (B) whether the person is applying to grow, process, on-site process,  
17 or test hemp or hemp products;

18 (C) for a person applying as a grower:

19 (i) the location and acreage of all parcels where hemp will be  
20 grown;

1                    (ii) a statement that the seeds obtained for planting are of a type  
2                    and variety that do not exceed the federally defined tetrahydrocannabinol  
3                    concentration level of hemp;

4                    (D) for a person applying as a processor, the location of the  
5                    processing site;

6                    (E) for a person applying as an on-site processor:

7                    (i) the location and acreage of all parcels where hemp will be  
8                    grown;

9                    (ii) a statement that the seeds obtained for planting are of a type  
10                   and variety that do not exceed the federally defined tetrahydrocannabinol  
11                   concentration level of hemp; and

12                   (iii) a statement that no more than 50 percent of the hemp or hemp  
13                   products processed at the location shall originate from or be grown at a  
14                   location away from the registered location.

15                   (F) for a person applying to test hemp or hemp products, the location  
16                   of the site where testing will occur and any proof of certification required by  
17                   the Secretary; and

18                   (G) any additional information that the Secretary may require by rule.

19                   (2) The Secretary may verify the information provided in the application  
20                   or renewal form under subdivision (1) of this subsection and on any maps  
21                   accompanying the application or renewal form and may request additional

1 information in order to perform a review of an application for registration or  
2 renewal.

3 (c) The Secretary may deny an application for registration or renewal if the  
4 applicant:

5 (1) does not provide all the information requested on the application or  
6 renewal form;

7 (2) fails to submit the fee required under section 569 of this title;

8 (3) fails to submit additional information requested by the Secretary  
9 under subsection (a) of this section; or

10 (4) does not, as determined by the Secretary, satisfy the requirements of  
11 section 10113 of the Agriculture Improvement Act of 2018, Pub. L. No. 115-  
12 334 for participation in the Program.

13 (d) A person registered under this section may purchase or import hemp  
14 genetics from any state that complies with the federal requirements for the  
15 cultivation of industrial hemp.

16 (e) A person registered with the Secretary under this section to grow,  
17 process, on-site process, or test hemp crops or hemp products, shall allow the  
18 Secretary to inspect hemp crops, processing sites, or laboratories registered  
19 under the State Hemp Program. The Secretary shall retain tests and inspection  
20 information collected under this section for the purposes of research of the  
21 growth and cultivation of industrial hemp.

1        (f) The name and general location of a person registered under this section  
2        shall be available for inspection and copying under the Public Records Act,  
3        provided that all records produced or acquired by the Agency of Agriculture,  
4        Food and Markets related to the location of parcels where hemp will be grown,  
5        including coordinates, maps, and parcel identifiers, shall be confidential and  
6        shall not be disclosed for inspection and copying under the Public Records Act.

7        § 566. RULEMAKING AUTHORITY

8        (a) The Secretary may adopt rules to provide for the implementation of this  
9        chapter and the ~~pilot project~~ program authorized under this chapter, which may  
10       include rules to:

11        (1) require hemp to be tested during growth for tetrahydrocannabinol  
12        levels;

13        (2) authorize or specify the method or methods of testing hemp,  
14        including, where appropriate, the ratio of cannabidiol to tetrahydrocannabinol  
15        levels or a taxonomic determination using genetic testing; and

16        (3) ~~to~~ require inspection and supervision of hemp during sowing,  
17        growing season, harvest, storage, and processing. ~~The Secretary shall not~~  
18        adopt under this or any other section a rule that would prohibit a person to  
19        grow hemp based on the legal status of hemp under federal law.; and



1	<u>Cannabinoids</u>	
2	<u>Less than 0.5</u>	<u>\$50.00</u>
3	<u>0.5 to 9.9</u>	<u>\$250.00</u>
4	<u>10 to 50</u>	<u>\$500.00</u>
5	<u>Greater than 50</u>	<u>\$1,500.00</u>

6 (3) for an application or renewal of registration to process floral material  
7 from hemp or manufacture of hemp-infused products: \$1,500.00;

8 (4) for an application or renewal of registration as a laboratory certified  
9 to conduct testing of hemp and hemp products as part of the Agency’s cannabis  
10 control program: \$1,500.00; and

11 (5) for an application or renewal of registration as an on-site processor,  
12 twice the fee that on-site processor would pay under subdivision (2) of this  
13 subsection if applying solely to grow hemp for floral material production, and  
14 viable seed, or cannabinoid.

15 (b) A person registered to grow hemp for floral material production, and  
16 viable seed, or cannabinoids shall not grow more acres of hemp per year than  
17 the amount identified in a registration without first notifying the Secretary and  
18 paying the additional annual registration fee under subdivision (a)(2) of this  
19 section.

1     § 570. STATE HEMP PROGRAM SPECIAL FUND

2           (a) There is created the State Hemp Program Special Fund to be  
3     administered by the Secretary of Agriculture, Food and Markets. The Fund  
4     shall consist of:

5           (1) appropriations or revenues dedicated for deposit into the Fund by the  
6     General Assembly;

7           (2) registration fees collected under this chapter; and

8           (3) gifts, donations, or other funds received from any source, public or  
9     private, dedicated for deposit into the Fund and approved by the Secretary of  
10    Administration.

11          (b) The Secretary of Agriculture, Food and Markets may use monies  
12    deposited in the Fund for the costs of personnel, program administration,  
13    testing, and other costs incurred by the Agency of Agriculture, Food and  
14    Markets in administration and implementation of the requirements of this  
15    chapter and in conducting industrial hemp research under this chapter.

16          (c) Notwithstanding the requirements of 32 V.S.A. § 588(3), interest earned  
17    by the Fund shall be retained in the Fund from year to year.

18    Sec. 2. EFFECTIVE DATE

19          This act shall take effect on passage.

1

2 (Committee vote: \_\_\_\_\_)

3

\_\_\_\_\_

4

Senator \_\_\_\_\_

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FOR THE COMMITTEE