HOUSE No. 4170

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, April 7, 2016.

The committee on Environment, Natural Resources and Agriculture to whom were referred the petition (accompanied by bill, House, No. 721) of Paul W. Mark and Mary S. Keefe relative to industrial hemp and the petition (accompanied by bill, House, No. 773) of Chris Walsh and others for legislation to regulate the cultivation of industrial hemp, reports recommending that the accompanying bill (House, No. 4170) ought to pass.

For the committee,

PAUL A. SCHMID, III

The Commonwealth of Massachusetts

In the One Hundred and Eighty-Ninth General Court (2015-2016)

An Act regulating the cultivation of Industrial Hemp.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- SECTION 1. Section 1 of chapter 94C of the General Laws, as appearing in the 2014
- 2 Official Edition, is hereby amended by inserting after the word "germination", in line 213, the
- 3 following words:-; provided, further that it does not include industrial hemp as that term is
- 4 defined in section 116 of chapter 128
- 5 SECTION 2. Chapter 128 of the General Laws is hereby amended by adding the
- 6 following 6 sections:-
- 7 Section 116. As used in sections 116 through 121, the following words shall, unless the
- 8 context clearly requires otherwise, have the following meanings:
- 9 "Commissioner", the commissioner of the department of agricultural resources.
- "Department", the department of agricultural resources.

"Hemp products", products made from industrial hemp including, but not limited to, cloth, cordage, fiber, food, fuel, paint, paper, particle board, plastics, seed, seed meal, seed oil, and certified seed for cultivation if such seeds originate from industrial hemp varieties.

"Industrial hemp", the plant Cannabis sativa L. and any part of such plants, whether growing or not, with delt-9-tetrhydrocannabinol concentration of not more than 0.3 percent on a dry weight basis.

"Person", a natural person, corporation, association, partnership or other legal entity.

Section 117. (a) Industrial hemp as an agricultural product may be planted, grown, harvested, possessed, processed, bought, sold or researched subject to sections 116 through 121. The planting, growing, harvesting, possessing, processing, buying, selling or research of industrial hemp as an agricultural product shall subject to the supervision and approval of the department pursuant to sections 116 through 121.

- (b) Any person planting, growing, harvesting, possessing, processing, buying or selling industrial hemp for commercial purposes shall be licensed by the department pursuant to section 118. Any person planting, growing or harvesting industrial hemp shall only acquire hemp seeds from a distributor licensed by the department pursuant to section 118.
- (c) Hemp products may be used only for: (1) research purposes; and (2) commercial purposes which are deemed reasonable by the commissioner, provided that no person will plant, grow, harvest, possess, process, buy or sell industrial hemp for commercial purposes before the United States Congress has enacted legislation that removes industrial hemp from the federal Controlled Substances Act.

Section 118. (a) No person, other than a person utilizing hemp products for commercial purposes pursuant to subsection (c) or a person utilizing industrial hemp or hemp products for research pursuant to subsection (d), may plant, grow, harvest, possess, process, sell or buy industrial hemp without a license issued by the department.

- (b) No person may produce or distribute agricultural hemp seed without a license issued by the department.
- (c) Any person utilizing hemp products for commercial purposes shall register with the department.
- (d) Any person utilizing industrial hemp or hemp products for research conducted under an agricultural pilot program or other agricultural or academic research shall register with the department.
- (e) An application for a license issued pursuant to subsection (a) or (b) shall, without limitation, include the following: (1) the name and address of the applicant or applicants; (2) the name and address of the industrial hemp operation of the applicant; (3) the global positioning system coordinates and legal description of the property used for the industrial hemp operation; (4) the acreage size of the field where the industrial hemp will be grown, if applicable; (5) a statement signed by the applicant or applicants, under the pains and penalty of perjury, that the person applying for the industrial hemp license or agricultural hemp seed production license has not been convicted of a drug-related felony or misdemeanor in the previous 10 years; (6) a written consent allowing the state police department to conduct a state and national criminal history background check; (7) a written consent allowing the state police department, if a license is issued to the applicant, to enter the premises on which the industrial hemp operation is

operating to conduct physical inspections to ensure compliance with all federal, state and local laws and ordinances and to ensure the hemp plants at the location are in conformity with the definition of industrial hemp as set forth in section 17; (8) a nonrefundable application fee in an amount established by the commissioner; (9) all other information required pursuant to subsection (d); and (10) any other information that may be required by the commissioner.

Section 119. (a) Upon receipt, review and approval of an application for licensure pursuant to section 118, the commissioner may grant an annual license upon issuance of written findings that the requirements of sections 116 through 121 and any regulations promulgated thereunder are satisfied and upon the issuance of written findings that issuing the license will be in the best interests of the commonwealth.

(b) The commissioner shall deny an application for licensure filed pursuant to section 118 if the applicant: (1) fails to satisfy the minimum qualifications for licensure pursuant to sections 116 through 121 and any regulations promulgated thereunder; or (2) for good cause shown.

Section 120. The secretary shall suspend, revoke, or refuse to renew the license of any person who violates sections 116 through 121 or any regulations promulgated thereunder.

Section 121. (a) The department shall promulgate regulations for the implementation, administration and enforcement of sections 117 through 121 including, without limitation, regulations that: (1) prescribe the method and form of application which an applicant for licensure shall follow and complete before consideration by the department; (2) prescribe the information to be furnished by an applicant or licensee concerning an applicant or licensee's antecedents, habits, character, associates, criminal record, business activities and financial affairs, past or present; (3) prescribe the criteria for evaluation of the application for a license; (4)

prescribe the information to be furnished by a licensee relating to the licensee's employees; (5) require fingerprinting of an applicant for a license and employees of a licensee or other methods of identification; (6) prescribe the manner and method of collection and payment of assessments and fees and issuance of licenses; (7) prescribe grounds and procedures for the revocation or suspension of a license or registration; (8) require quarterly financial reports and an annual audit prepared by a certified public accountant attesting to the financial dealings of the licensee and disclosing whether the accounts, records and control procedures examined are maintained by the licensee as required the regulations promulgated by the department; (9) establish licensure and work permits for employees working at the establishment and minimum training requirements; (10) require that all employees be properly trained or licensed in their respective professions; (11) establish security procedures for ensuring the safety of licensees and the general public; (12) allow for the industrial hemp to be tested during growth for tetrahydrocannabinol levels; (13) that allow for supervision of the industrial hemp during sowing, growing season, harvest, storage, and processing; (14) prescribe the method and manner for transporting industrial hemp and hemp products in the commonwealth; (15) establish a registration process for people utilizing hemp products; and (16) establish a registration process for people utilizing industrial hemp or hemp products for research purposes.

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(b) The department may, pursuant to section 2 of chapter 30A, promulgate, amend or repeal any regulation promulgated under this chapter as an emergency regulation if such regulation is necessary to protect the interests of the commonwealth in regulating agricultural hemp.