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CULTIVATION OF INDUSTRIAL HEMP

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brad M. Daw

Senate Sponsor: David P. Hinkins

LONG TITLE

General Description:

This bill deals with the licensing of cultivators and processors of industrial hemp and the registration of industrial hemp products.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ authorizes the Department of Agriculture and Food to license a person who wishes to participate in an industrial hemp research pilot program;
- ▶ creates a process to register an industrial hemp product;
- ▶ prohibits a person from cultivating industrial hemp without a license;
- ▶ prohibits the distribution of an industrial hemp product without registration;
- ▶ authorizes rulemaking authority; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

4-41-102, as enacted by Laws of Utah 2014, Chapter 25



28 **4-41-103**, as last amended by Laws of Utah 2017, Chapter 345

29 ENACTS:

30 **4-41-104**, Utah Code Annotated 1953

31 **4-41-105**, Utah Code Annotated 1953



33 *Be it enacted by the Legislature of the state of Utah:*

34 Section 1. Section **4-41-102** is amended to read:

35 **4-41-102. Definitions.**

36 For purposes of this chapter:

37 (1) "Agricultural pilot program" means a program to study the growth, cultivation, or
38 marketing of industrial hemp.

39 ~~[(1)]~~ (2) "Industrial hemp" means any part of a cannabis plant, whether growing or not,
40 with a concentration of less than 0.3% tetrahydrocannabinol by weight.

41 ~~[(2)]~~ (3) "Industrial hemp certificate" means a certificate issued by the department to a
42 higher education institution to grow or cultivate industrial hemp under Subsection 4-41-103(1).

43 (4) "Industrial hemp product" means a product derived from, or made by, processing
44 industrial hemp plants or industrial hemp parts.

45 (5) "Licensee" means an individual or business entity possessing a license issued by the
46 department under this chapter to grow, cultivate, process, or market industrial hemp or an
47 industrial hemp product.

48 (6) "Person" means:

49 (a) an individual, partnership, association, firm, trust, limited liability company, or
50 corporation; and

51 (b) an agent or employee of an individual, partnership, association, firm, trust, limited
52 liability company, or corporation.

53 (7) "Research pilot program" means a program conducted by the department in
54 collaboration with at least one licensee to study methods of cultivating, processing, or
55 marketing industrial hemp.

56 Section 2. Section **4-41-103** is amended to read:

57 **4-41-103. Industrial hemp -- Agricultural and academic research.**

58 (1) The department and its licensee may grow ~~[or]~~, cultivate, or process industrial

59 hemp for the purpose of agricultural [~~or~~], academic, or market research.

60 (2) The department shall certify a higher education institution to grow or cultivate
61 industrial hemp for the purpose of agricultural or academic research if the higher education
62 institution submits to the department:

63 (a) the location where the higher education institution intends to grow or cultivate
64 industrial hemp;

65 (b) the higher education institution's research plan; and

66 (c) the name of an employee of the higher education institution who will supervise the
67 industrial hemp growth, cultivation, and research.

68 (3) The department shall maintain a list of each industrial hemp certificate holder and
69 licensee.

70 (4) The department shall make rules in accordance with Title 63G, Chapter 3, Utah
71 Administrative Rulemaking Act, to:

72 (a) ensure any industrial hemp project or research pilot project meets the standards of
73 an agricultural pilot project, as defined by Section 7606 of the United States Agricultural Act
74 of 2014[-];

75 (b) establish requirements for a license to participate in an industrial hemp research
76 pilot program;

77 (c) set sampling and testing procedures for industrial hemp; and

78 (d) define a class or category of an industrial hemp product that is eligible for sale,
79 transfer, or distribution to a member of the public.

80 (5) A person seeking to cultivate industrial hemp shall provide to the department:

81 (a) the legal description and global positioning coordinates sufficient for locating any
82 field or greenhouse used by the person to grow industrial hemp; and

83 (b) written consent allowing a representative of the department and local law
84 enforcement to enter all premises where industrial hemp is cultivated, processed, or stored for
85 the purpose of:

86 (i) conducting a physical inspection; or

87 (ii) ensuring compliance with the requirements of this chapter.

88 (6) The following individuals are not eligible to obtain a license under this chapter:

89 (a) an individual who has been convicted of a felony; and

90 (b) an individual who has been convicted of a drug-related misdemeanor within the last
91 10 years.

92 ~~[(5)]~~ (7) The department may set a fee, pursuant to Subsection 4-2-103(2), for the
93 application of an industrial hemp certificate.

94 Section 3. Section 4-41-104 is enacted to read:

95 **4-41-104. Product registration required for distribution -- Application -- Fees --**
96 **Renewal.**

97 (1) An industrial hemp product that is not registered with the department may not be
98 distributed in this state.

99 (2) A person seeking registration for an industrial hemp product shall:

100 (a) apply to the department on forms provided by the department; and

101 (b) submit an annual registration fee, determined by the department pursuant to
102 Subsection 4-2-103(2), for each industrial hemp product the person intends to distribute in this
103 state.

104 (3) The department may conduct tests, or require test results, to ensure that any claim
105 made by an applicant about an industrial hemp product is accurate.

106 (4) Upon receipt by the department of a proper application and payment of the
107 appropriate fee, as described in Subsection (2), the department shall issue a registration to the
108 applicant allowing the applicant to distribute the registered hemp product in the state through
109 June 30 of each year, subject to suspension or revocation for cause.

110 (5) The department shall mail, either through the postal service or electronically, forms
111 for the renewal of a registration to a registrant at least 30 days before the day on which the
112 registrant's registration expires.

113 Section 4. Section 4-41-105 is enacted to read:

114 **4-41-105. Unlawful acts.**

115 (1) It is unlawful for a person who is not a licensee to cultivate, handle, process, or
116 market living industrial hemp plants, viable hemp seeds, leaf materials, or floral materials
117 derived from industrial hemp.

118 (2) It is unlawful for any person to distribute or market an industrial hemp product that
119 is not registered with the department pursuant to Section 4-41-104.

120 (3) Nothing in this chapter authorizes any person to violate federal law, regulation, or

121 any provision of this title.

Legislative Review Note
Office of Legislative Research and General Counsel