
Commerce & Gaming Committee

SSB 5012

Brief Description: Authorizing the growing of industrial hemp.

Sponsors: Senate Committee on Agriculture, Water & Rural Economic Development (originally sponsored by Senators Hatfield, Honeyford, Rolfes, Ericksen, Kohl-Welles, Hasegawa, Chase and Hobbs).

Brief Summary of Substitute Bill

- Authorizes the commercial cultivation, production, possession, and marketing of industrial hemp.
- Requires the Washington State University to conduct a study regarding the feasibility of industrial hemp production and marketing in this state, conditioned on the provision of federal or private funding for this purpose.

Hearing Date: 3/16/15

Staff: Thamas Osborn (786-7129).

Background:

Industrial Hemp Defined and Described.

Industrial hemp is generally defined as encompassing those *Cannabis sativa* plant types intended for agricultural and industrial purposes. Although marijuana is also derived from the *Cannabis sativa* plant, industrial hemp is readily distinguishable from marijuana with respect to: (1) the types and percentages of organic compounds it contains; (2) its agricultural, industrial, and pharmaceutical uses; and (3) its observable physical characteristics. For legal purposes, the key factors in distinguishing the two plants are the amounts of delta-9 tetrahydrocannabinol (THC) and cannabinoids each contains, with the THC level being the most important measure.

Tetrahydrocannabinol is a psychoactive, organic compound that in sufficient concentrations will cause intoxication in humans. Industrial hemp has very low levels of THC and, thus, does not have psychoactive effects or cause intoxication. Throughout most of the world, the legal definition of industrial hemp includes the requirement that the plant contain no more than 0.3

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percent THC. Marijuana, by contrast, has much higher concentrations of THC, ranging anywhere from 5 to 25 percent.

In those countries where it is legal to do so, industrial hemp is grown primarily as a source of fiber principally used for textiles, rope, paper, and building materials. Hemp seed is increasingly used for food, feed, and oil. Hemp seed oil is used in pharmaceuticals, cosmetics, inks, lubrication, household detergents, varnishes, resins, and paints. Hemp plants are increasingly used as a source of livestock feed and bedding.

Approximately 30 countries in Europe, Asia, and North and South America currently permit farmers to grow hemp.

Federal Statute and Regulations.

Industrial hemp and all other *Cannabis* plant types, including those falling within the definition of marijuana, are considered a Schedule I controlled substance under the federal Controlled Substances Act of 1970 (federal CSA) and are, therefore, illegal to either cultivate or possess. The federal CSA does not distinguish between industrial hemp and other varieties of *Cannabis* on the basis of THC content. It is illegal, therefore, to grow *Cannabis* plants containing any level of THC without a permit from the Drug Enforcement Agency.

Notwithstanding the federal CSA's prohibition against the cultivation or possession of hemp, with the passage of the Agricultural Act of 2014 (2014 Farm Bill) the legal status of industrial hemp under federal law has become ambiguous. Without changing the federal CSA prohibition, the 2014 Farm Bill explicitly authorizes institutions of higher education and state departments of agriculture to grow or cultivate industrial hemp for research purposes, *but only in those states that have legalized the growing and cultivation of hemp.*

Washington State Controlled Substances Act.

As is the case under the federal CSA, Washington's Controlled Substances Act does not distinguish between industrial hemp and other varieties of *Cannabis* on the basis of THC content, and thus industrial hemp is categorized as a Schedule I controlled substance, along with marijuana. Accordingly, in this state it remains illegal to cultivate or possess industrial hemp.

Legalization and Regulation of Hemp in Other States.

During recent years, there has been considerable legislative activity throughout the United States with respect to legalizing the agricultural production of industrial hemp. To date, approximately 11 states have legalized industrial hemp production, including: California, Colorado, Indiana, Maine, Montana, North Dakota, Oregon, South Carolina, Vermont, West Virginia, and Tennessee. Many other states have passed legislation authorizing the cultivation of industrial hemp for pilot projects or studies, including: Connecticut, Delaware, Hawaii, Illinois, Kentucky, Nebraska, and Utah. Additionally, the National Association of State Departments of Agriculture and the National Conference of State Legislatures have both adopted resolutions supporting revisions to the federal rules and regulations authorizing commercial production of industrial hemp.

Summary of Bill:

The act authorizes the cultivation, production, possession, and marketing of industrial hemp. "Industrial hemp" is defined as all parts and varieties of the *Cannabis* plant, whether growing or not, that contain a THC concentration of 0.3 percent or less by dry weight.

Subject to receiving federal or private funding for this purpose, the Washington State University (WSU) is required to conduct a study regarding the feasibility of industrial hemp production and marketing in this state. The study must include the review of information gathered from agricultural and scientific literature and the examination of the practices of other states and countries regarding the marketing of industrial hemp. The study must include an analysis of:

- the market conditions affecting the development of an industrial hemp industry in the state;
- the economic benefits the state would obtain from having a developed industrial hemp industry;
- whether soils and growing conditions are appropriate for the production of industrial hemp at levels that are economically viable;
- the agronomy research being conducted worldwide relating to industrial hemp varieties, production, and use; and
- other legislative acts, experiences, and outcomes around the world regarding industrial hemp production.

The WSU must report its findings and recommendations to the Legislature by January 14, 2016.

Appropriation: None.

Fiscal Note: Requested on 3/11/15.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.