

SENATE BILL REPORT

SB 6206

As of February 1, 2016

Title: An act relating to authorizing the growing of industrial hemp.

Brief Description: Authorizing the growing of industrial hemp.

Sponsors: Senators Hasegawa, Takko, Chase, Schoesler and Sheldon.

Brief History:

Committee Activity: Agriculture, Water & Rural Economic Development: 1/19/16.

SENATE COMMITTEE ON AGRICULTURE, WATER & RURAL ECONOMIC DEVELOPMENT

Staff: Diane Smith (786-7410)

Background: Industrial hemp production is currently not pursued in Washington to any significant extent. The fact that hemp contains tetrahydrocannabinol (THC) - a controlled substance on the federal level and a regulated substance on the state level - complicates its feasibility as a farm product.

In Washington, I-502 legalized the possession of marijuana and authorized the state Liquor Control Board to regulate and tax marijuana's use by persons 21 years of age and older. The definition of marijuana falling under I-502 requires a THC percentage of 0.3 percent or higher by weight.

Products made from hemp can include cloth, fuel, plastics, seed meal, and seed oil for consumption, among other things. Hemp can also be used directly for erosion control and as a cover crop.

Summary of Bill: Industrial hemp is defined as the plant, *Cannabis sativa*, with a THC level at or below 0.3 percent by weight, with an exception for licensed seed research.

Growing industrial hemp is authorized as an agricultural activity.

The Department of Agriculture is given the authority, but is not required, to adopt rules to facilitate a legal, fair, safe, and competitive market. If promulgated, the administrative rules must be adopted within existing resources.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Washington State University (WSU) must study the feasibility and desirability of industrial hemp production in Washington State - subject to receiving federal or private funds for this purpose - through the expiration of this provision on August 1, 2017. This study's sources of information are prescribed and specific analyses are required. WSU must report its findings to the Legislature by January 14, 2017.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Industrial hemp has exceptional value for nutrition, in making composites, and as a biofuel. To make a barrel of biofuel from corn costs \$85 whereas to make the same barrel from hemp costs \$43. The acreage required to produce 200 billion gallons of ethanol per year is 16 million acres of corn versus only 6 million acres of hemp. This has a potential of a \$500 million per-year market in Washington and would be an economic driver in rural areas. There is no fiscal impact of this bill. The seed stock is available world wide.

OTHER: The federal legal implications make this a complicated issue. If WSDA is to engage in rule-making, some state dollars will be needed. This bill is an oversimplification. Some hemp crops have gone feral. There must be a pedigreed seed system. Cross-pollination with medical and recreational marijuana is possible and must be protected against, though this is not a difficult problem to solve and may be done contractually among farmers. Body care products should be included in the bill.

Persons Testifying: PRO: Senator Hasegawa, prime sponsor; Ezra Eickmeyer, E & A Strategic Consulting.

OTHER: Joy Beckerman, Hemp Industries Association, Legal Analyst; and Hemp Ace International, Principal; Steve Fuller, Washington State Department of Agriculture; Ah Warner, Cannabis Basics; Steve Sarich, Washington Hemp Commission.

Persons Signed In To Testify But Not Testifying: No one.