

SENATE BILL REPORT

SB 5372

As of February 2, 2021

Title: An act relating to a hemp processor registration process.

Brief Description: Concerning a hemp processor registration process.

Sponsors: Senators Stanford, Warnick, Conway, Hasegawa, Saldaña and Wilson, J..

Brief History:

Committee Activity: Agriculture, Water, Natural Resources & Parks: 2/02/21.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Allows a hemp processor to register with the Department of Agriculture.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

Staff: Karen Epps (786-7424)

Background: The federal Agricultural Act of 2014, defined the term industrial hemp and explicitly authorized institutions of higher education and state departments of agriculture to grow or cultivate industrial hemp for research purposes, but only in states that have legalized growing and cultivating industrial hemp.

In 2016, the Legislature established the industrial hemp research pilot program (IHRP) to begin pilot studies to research the cultivation and commercial viability of an industrial hemp industry in Washington. Under the research program, industrial hemp could be grown, produced, possessed, processed, and exchanged in the state solely as part of the IHRP. Washington State Department of Agriculture (WSDA) established rules to implement the program and to license individual growers who may grow industrial hemp and transfer industrial hemp and industrial hemp products within the parameters of the research program. In 2017, the Legislature excluded industrial hemp from the state-controlled

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substances act schedule of controlled substances.

The federal Agriculture Improvement Act of 2018, changed certain federal authorities relating to producing and marketing hemp, defined as cannabis—*Cannabis sativa L.*— and derivatives of cannabis with extremely low—less than 0.3 percent on a dry weight basis—concentrations of the psychoactive compound delta-9-tetrahydrocannabinol (THC). These changes include allowing hemp cultivation with certain regulations and removing hemp from the Federal Controlled Substances Act.

In 2019, the Legislature created a new agricultural commodity program for commercial hemp production in Washington, replacing the IHRP. WSDA developed the state's hemp plan and the plan includes elements required in the Agriculture Improvement Act of 2018, including testing and enforcement. WSDA administers the program and licenses individual hemp producers.

Summary of Bill: A hemp processor that processes hemp for commercial use or sale may register with WSDA. WSDA may adopt rules as necessary to register hemp processors. The registration application must include the physical address of all locations where hemp is processed or stored, a registration fee as set in rule, and any other information required by WSDA.

A registered hemp processor is not required to obtain a hemp producer license. A registered hemp processor must be a registered business entity in Washington State or a foreign entity compliant with state laws.

Hemp processor is defined as a person who takes possession of raw hemp material with the intent to modify, package, or sell a transitional or finished hemp product.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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