

SENATE BILL REPORT

2SHB 1888

As Reported by Senate Committee On:
Agriculture, Water & Rural Economic Development, February 25, 2014

Title: An act relating to industrial hemp.

Brief Description: Regarding industrial hemp.

Sponsors: House Committee on Appropriations Subcommittee on General Government & Information Technology (originally sponsored by Representatives Shea, Hurst, Condotta, Holy, Taylor and Overstreet).

Brief History: Passed House: 2/17/14, 97-0.

Committee Activity: Agriculture, Water & Rural Economic Development: 2/24/14, 2/25/14 [DPA].

SENATE COMMITTEE ON AGRICULTURE, WATER & RURAL ECONOMIC DEVELOPMENT

Majority Report: Do pass as amended.

Signed by Senators Hatfield, Chair; Honeyford, Ranking Member; Brown, Eide, Hobbs and Schoesler.

Staff: Diane Smith (786-7410)

Background: Industrial hemp production is not pursued in Washington to any significant extent at this time. The fact that hemp contains tetrahydrocannabinol (THC), which is a controlled substance on the federal level and a regulated substance on the state level, complicates its feasibility as a farm product. Under state law, I-502 legalized the possession of marijuana and authorized the state Liquor Control Board to regulate and tax marijuana for persons 21 years of age and older. The definition of marijuana falling under I-502 requires a THC percentage of 0.3 percent or more by weight.

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

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.

Summary of Bill (Recommended Amendments): 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.

Subject to receiving federal or private funds for this purpose, Washington State University (WSU) must study the feasibility and desirability of industrial hemp production in Washington State. The study's sources of information are prescribed and specific analyses are required. WSU must report its findings to the Legislature by January 14, 2015.

EFFECT OF CHANGES MADE BY AGRICULTURE, WATER & RURAL ECONOMIC DEVELOPMENT COMMITTEE (Recommended Amendments): The definition of *Cannabis sativa* as synthetic equivalents is removed. The licensing program is removed from the bill. The Washington State Department of Agriculture's (WSDA) oversight and participation in the research conducted by WSU are removed. WSDA has no additional statutory responsibility to the hemp industry, if the industry develops. Hemp is defined as all parts of the plant that have less than 0.3 percent THC by weight. Subject to receiving federal or private funds for this purpose, WSU must study the feasibility and desirability of industrial hemp production in Washington State. WSU must report its findings to the Legislature by January 14, 2015.

Appropriation: None.

Fiscal Note: Available.

[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Second Substitute House Bill: PRO: Today we import hemp from such places as Indonesia and Romania. The first three presidents of the country grew it and the Declaration of Independence was written on hemp paper. It can even be used in shampoo and insulation. The only issue we have with the bill is whether WSDA should be the sole source of seed or just certify the seed. There is no way to get high on the 1 percent content in this bill. The definition is correct. Putting administrative regulations into law ties the hands of the growers and WSDA. Canada and England are pursuing massive deregulation to get a jump on this skyrocketing market. Federal law says we can have an industrial hemp crop and market here. It is the processor, not the farmer, who removes the leaves. Hemp for fiber is harvested before the seeds mature. If allowed, an industrial hemp industry could save and create more family wage jobs; specifically to replace those that were lost when logging jobs dwindled. Hemp has the potential to provide four times the fiber that a tree does, and the part of the stem used for fiber does not have to be cooked, as does wood pulp. WSU has made academic inquiry into some aspects of hemp but has never done the study required by the bill. WSDA prefers not to be the sole source of seed and questions whether the 1 percent is appropriate since THC content over 0.3 percent is defined in Washington as recreational. The estimated needs of WSDA to comply with the bill's requirements are \$900,000 for start-up. Studies have already been done over decades, if not millennia.

OTHER: The part of the definition of *Cannabis sativa* as its synthetic equivalents should be removed because it is inaccurate. It does not comport with federal definitions, synthetic is undefined and has nothing to do with hemp.

Persons Testifying: PRO: Representative Shea, prime sponsor; John Wagoner, Assn. of Western Pulp and Paper Workers; Ah Warner, Joy Beckerman Maher, Hemp Industries Assn.; Chris Mulick, WSU; Mark Streuli, WSDA; Ed Saukkooja, Hemp Lobby.

OTHER: Rob Huss, WA State Patrol.