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Senate Bill 186 (as introduced 2-25-21)
Sponsor: Senator Dan Lauwers
Committee: Agriculture

Date Completed: 3-3-21

CONTENT

The bill would amend the Industrial Hemp Growers Act to do the following:

- **Modify, add, or delete various terms and definitions.**
- **Modify the dates during which an annual grower registration would be valid.**
- **Require certain information to be reported to the United State Department of Agriculture (USDA) after a grower was granted a registration and not more than 60 days before the grower planted industrial hemp, instead of immediately after the grower is granted a registration.**
- **Require a grower to harvest an industrial hemp lot within 30 days after an official hemp sample was collected, instead of within 15 days after receiving a certified report of acceptable delta-9-tetrahydrocannabinol (delta-9-THC) test results.**
- **Modify certain grower prohibitions, and prohibit a grower from selling an intermediary, in-process, or finished industrial hemp product or smokable hemp flower, unless the grower was licensed as a processor-handler under the Industrial Hemp Research and Development Act or as a processor under the Medical Marihuana Facilities Licensing Act (MMFLA).**
- **Modify the Industrial Hemp Growers Act's signage and record of sale requirements.**
- **Require a grower that intended to harvest an industrial hemp lot to contact the Michigan Department of Agriculture and Rural Development not more than 30 days or less than 20 days before the grower's anticipated harvest to collect an official hemp sample of each lot of hemp.**
- **Specify that a requirement for regulatory testing and compliance monitoring facilities to be registered with the Drug Enforcement Administration (DEA) would take effect on December 31, 2022.**
- **Require a grower to harvest an industrial hemp crop lot within 30 days after an official hemp sample was collected and allow a grower to request a second test if the harvest were delayed for certain reasons.**
- **Require a grower that received a certified report disclosing a greater-than-acceptable THC level to dispose of the noncompliant hemp lot (as is generally required currently) or remediate it within 30 days after receiving the report.**
- **Require a grower to pay fees charged for testing or sampling purposes to pay within 15 days after receiving an invoice.**
- **Specify that, except for a negligent violation, a person who violated or attempted to violate the Act would be guilty of a misdemeanor punishable by up to 90 days' imprisonment or a maximum fine of \$5,000, or both.**

-- Allow the Department to file a civil action to impose on a person who violated or attempted to violate the Act a civil fine of up to \$5,000 for each violation or attempted violation, and to recover costs.

The bill also would create Chapter 8 (Colleges and Universities) of the Act to require a college or university that grew industrial hemp to conduct research to register as a grower, collect samples and complete a delta-9-THC test, and dispose of noncompliant industrial hemp.

Chapter 8 would not take effect unless the Industrial Hemp Research and Development Act was repealed. The bill also would repeal Section 701 of the Industrial Hemp Growers Act (which codified emergency rules pertaining to growers registered under the Industrial Hemp Research and Development Act).

Definitions

"Sample" means a sample from the floral material of a representative part of a homogenous cannabis variety taken from a grower at the location where the cannabis is growing. The bill would eliminate this term and references to it and replace them with "official hemp sample". "Official hemp sample" would mean a sample of an industrial hemp lot that is collected by a designated sampling agent under the Act in accordance with Department sampling protocols and is tested by a regulatory testing facility. "Unofficial hemp sample" would mean a sample of industrial hemp collected by a grower for routine compliance monitoring testing throughout the growing season for testing by a compliance monitoring testing facility.

"Testing facility" means a laboratory approved by the State and registered with the DEA to conduct chemical analysis of controlled substances pursuant to Federal regulations and that meets the Act's requirements. The bill instead would refer to "regulator testing facility" or "compliance monitoring testing facility". "Regulatory testing facility" would mean a laboratory that meets all of the following: a) is registered with the DEA, b) is authorized to conduct chemical analysis of controlled substances under Federal regulations, and c) meets the Act's requirements. "Compliance monitoring testing facility" would mean a laboratory that meets both of the following requirements: a) is registered with the DEA to conduct chemical analysis of controlled substances under Federal regulations, and b) performs routine compliance monitoring testing of unofficial hemp samples throughout the growing season.

"Designated sampling agent" would mean a Federal, State, or local law enforcement agent authorized by the Department to collect official samples under the Act.

"Lot" would mean either of the following: a) a contiguous area in a field, greenhouse, or other indoor growing area that contains the same variety or strain of cannabis throughout, or b) a farm, tract, field, or subfield as these terms are defined under Federal regulations.

"Noncompliant industrial hemp" would mean industrial hemp that is not in compliance with the Act or the rules promulgated under the Act.

"Grow" or "growing", unless the context requires otherwise, means to plant, propagate, cultivate, or harvest live plants or viable seed. The terms include drying and storing harvested industrial hemp, possessing live industrial hemp plants or viable seed on a premises where the live industrial hemp plants or viable seed are grown, and selling harvested industrial hemp to a processor or processor licensed under the MMFLA, as authorized under the Industrial Hemp Growers Act. The terms do not include selling an industrial hemp product or smokable hemp flower. Under the bill, the terms would mean to plant, propagate, cultivate, or harvest live plants or viable seed. Grow or growing includes drying and storing harvested industrial

hemp, possessing live industrial hemp plants or viable seed on a premises where the live industrial hemp plants or viable seed are grown, growing industrial hemp for the purposes of conducting research, and selling harvested industrial hemp to a processor-handler licensed under the Industrial Hemp Research and Development Act, or processor licensed under the MMFLA, as authorized under the Industrial Hemp Growers Act. The terms do not include selling an intermediary, in-process, or finished industrial hemp product or smokable hemp flower.

"Dispose" would mean an activity that transitions industrial hemp into a nonretrievable or noningestible form of industrial hemp under the Act. "Remediate" would mean an activity that transitions noncompliant industrial hemp into industrial hemp that is in compliance with the Act and the rules promulgated under the Act.

Initial Registration & Renewals

The Act prohibits a person from growing industrial hemp unless the person registers as a grower. An initial registration granted by the Department under the Act at midnight on November 30 in the year in which the registration is granted. Otherwise, a registration is valid for one year beginning on December 1 and expires at midnight on the following November 30. Under the bill, an initial registration would expire on January 31, immediately following the date in which it was granted. A subsequent registration would be valid for year beginning on February 1 and expiring at midnight on the following January 31.

To renew a registration, an applicant must submit an application in a form and manner provided by the Department. The application must be submitted on or before November 30. An application submitted after November 30 is subject to a late fee of \$250. Under the bill, to renew a registration, an applicant would have to do all of the following:

- Submit an application on a form and in a manner provided by the Department.
- If the application were submitted on or before January 31, pay a \$1,250 registration fee.
- If the application were submitted after January 31, pay the \$1,250 registration fee and a \$250 late fee.

If an applicant provides express written consent to disclose personal information on an application, the applicant's name, e-mail address, and telephone number may be disclosed to a grower or another person authorized by the Department. Under the bill, the information instead could be disclosed to a grower, a processor-handler licensed under the Industrial Hemp Research and Development Act, or a processor licensed under the MMFLA.

Report to USDA; Timing

The Act requires a grower to report the address, total acreage, and GPS coordinates where any industrial hemp will be grown and the grower's registration number to the USDA Farm Service Agency immediately after the grower is granted a registration. Under the bill, this information would have to be reported after a grower was granted a registration and not more than 60 days before the grower planted industrial hemp.

Grower Duties

The Act requires an industrial hemp grower to do certain things, including the following:

- Contact the Department to collect a sample (of industrial hemp).
- Harvest an industrial hemp crop within 15 days after receiving a certified report of acceptable delta-9-THC test results from a testing facility.

- Destroy any of the following, without compensation: a) all cannabis grown within the contiguous area where a sample was taken if the results of a total delta-9-THC test for that sample indicate a total delta-9-THC concentration of more than the acceptable THC level; b) industrial hemp that is at a location that is not disclosed on the grower's application; or c) industrial hemp that is grown in violation of the Act.
- Report the total acreage of industrial hemp that the grower grew, harvested, and disposed of in the immediately preceding year by November 15 of each year.

Under the bill, a grower instead would have to do all of the following:

- Contact the Department to collect an official hemp sample.
- Harvest the industrial hemp lot within 30 days after an official hemp sample was collected.
- Dispose of or remediate, without compensation, any industrial hemp lot determined to be noncompliant.
- Dispose of the following, without compensation (as is currently required): a) industrial hemp that was at a location that was not disclosed on the grower's application, or b) industrial hemp that was grown in violation of the Act.

A grower would have to use only a compliance monitoring testing facility to test unofficial hemp samples to determine whether the industrial hemp complied with the Act. If the Department were inspecting or investigating a complaint, a grower would have to do all of the following:

- Allow the Department to have access to all structures directly related to the production of industrial hemp, including a barn, machine shed, greenhouse, or storage area.
- Provide business records including books, accounts, records, files, and any other documents in print or electronic media that the Department determined were relevant or necessary for the inspection or investigation.
- Allow a law enforcement agency to accompany the Department during an inspection or investigation.
- Allow the Department to collect official hemp samples to complete an inspection or investigation.

Grower Prohibitions

The Act prohibits a grower from engaging in certain activities or taking certain actions, including the following:

- Selling or transporting, or permitting the sale or transport of, viable industrial hemp plants or viable seed to a location that is not disclosed on the grower's application or to a person in Michigan that is not a grower.
- Harvesting industrial hemp before receiving a certified report of the total delta-9-THC test results.
- Selling industrial hemp to a person in Michigan that is not authorized by the Department to receive it.
- Destroying industrial hemp without notifying the Department (unless the grower is destroying male industrial plants to prevent cross-pollination).

The bill instead would prohibit a grower from doing the following:

- Selling or transporting, or permitting the sale or transport of, viable industrial hemp plants or viable seed.
- Harvesting industrial hemp before an official hemp sample was collected.

- Selling raw industrial hemp to a person in Michigan that was not licensed as a processor-handler under the Industrial Hemp Research and Development Act or as a processor licensed under the MMFLA.
- Disposing of industrial hemp without submitting a notice of intent to dispose to the Department (unless the grower did so to dispose of industrial hemp affected by poor health, pests, disease, or weather or to prevent cross-pollination of male or hermaphrodite industrial hemp plants).
- Selling an intermediary, in-process, or finished industrial hemp product or smokable hemp flower, unless the grower was licensed as a processor-handler under the Industrial Hemp Research and Development Act or as a processor under the MMFLA.

Sign Posting Requirements; Print Size

The Industrial Hemp Growers Act requires a grower to post signage in a conspicuous location at each boundary line of each location where industrial hemp is grown. The signage must meet the specifications prescribed in the Act and use writing that is clearly legible. Under the bill, the signage would have to print that was clearly legible and at least 3/8 inch tall.

Record of Sale

A grower must provide a record of sale to each person that purchases industrial hemp from the grower. Under the bill, a grower would have to provide a record of sale of raw industrial hemp to a processor-handler licensed under the Industrial Hemp Research and Development Act or as a processor licensed under the MMFLA.

A record of sale must contain the information prescribed in the Industrial Hemp Growers Act, including, among other things, the name of the person purchasing the industrial hemp and evidence that the person purchasing the industrial hemp is authorized by the Department to do so. The bill would eliminate the requirement that a record of sale include the evidence described above, and instead would require the record to contain the name *and license number* of the *processor-handler or processor* purchasing the industrial hemp.

Required Records

Under the Act, a grower must maintain records that contain all of the information prescribed, including a destruction report generated for submission to the USDA and the Department after the destruction of industrial hemp. The bill instead would require the maintained records to include a notice of disposal submitted to the Department after industrial hemp is disposed of.

Harvest or Destruction of Industrial Hemp; Samples

The Act requires a grower that intends to harvest or destroy an industrial hemp crop to contact the Department at least 20 days before the harvest or destruction to collect a representative sample of each variety of industrial hemp. Sampling must be conducted at least 15 days before the grower's anticipated harvest or destruction, and the grower or the grower's authorized representative must be present. The Department must transport or cause to be transported a sample collected to a testing facility for total delta-9-THC testing

When the Department conducts the sampling, the grower must provide the Department with complete and unrestricted access, during normal business hours, to all cannabis, and all acreage, greenhouses, indoor square footage, fields, buildings, or other locations, including any location listed in the application, where cannabis is growing or stored.

Under the bill, a grower that intended to harvest an industrial hemp lot would have to contact the Department not more than 30 days or less than 20 days before the grower's anticipated harvest to collect an official hemp sample of each lot of industrial hemp grown. A designated sampling agent would have to collect an official hemp sample before the grower's anticipated harvest and the grower or the grower's authorized representative would have to be present. The Department would have to transport or cause to be transported an official hemp sample to a regulatory testing facility for total delta-9-THC testing.

When the designated sampling agent collected an official hemp sample, the grower would have to provide the agent with complete and unrestricted access to all of the materials currently required.

A grower that requested the collection of an official hemp sample would have to be in good standing. A sample would not be collected until all outstanding fees and fines under the Act were paid.

The bill would allow a grower to collect an unofficial hemp sample and submit it to a compliance monitoring testing facility for compliance monitoring at any time to determine whether the hemp complied with the Act.

The Department could use performance-based sampling that allowed for reduced or no regulatory sampling of specific certified seed, varieties yielding consistently compliant hemp, lots used for academic research by a college or university, historical performance of the grower, or other factors, which could ensure at a confidence level of 95% that no more than 1.0% of the plants in each lot would be noncompliant.

Testing Facility Requirements

The Act establishes certain requirements for a testing facility that performs total delta-9-THC testing. Where the Act refers to "testing facility", the bill would refer instead to a regulatory testing facility or compliance monitoring testing facility.

A testing facility must ensure that a sample of industrial hemp is not commingled with any other sample of industrial hemp and must assign a sample identification number to each sample of industrial hemp. Under the bill, a compliance monitoring or regulator testing facility would have to ensure that an official hemp sample or unofficial hemp sample of industrial hemp was not commingled with any other official hemp sample or unofficial hemp sample. Also, the facility would have to assign a sample identification number to each official or unofficial hemp sample.

For each test performed, a testing facility must report certain information to the Department and the USDA for each test performed. This information includes the certified report of the total delta-9-THC. The bill would require the information to be reported to the grower and would remove the reference to the certified report. The bill also specifies that a requirement for regulatory testing facilities and compliance monitoring facilities to be registered with the DEA would be effective on December 31, 2022.

Sample Testing Results

The Act requires a testing facility to provide to the grower, the Department, and the USDA a certified report stating the results of a total delta-9-THC test if the results of that test indicate a total delta-9-THC concentration of not more than the acceptable THC level. If the results of a test indicate a total delta-9-THC concentration that is greater than the acceptable THC level,

the testing facility must provide the grower and the Department a certified report stating the results of the test, and the grower must destroy the industrial hemp crop.

The bill generally retains these provisions, except that they would apply to the results of an official hemp sample tested by a regulatory testing facility. If the results indicated an acceptable total delta-9-THC concentration, the report would have to be send to the grower and the Department. Also, if the results of the test indicated a total delta-9-THC concentration that was greater than the acceptable THC level, the grower would have to dispose of or remediate the noncompliant industrial hemp lot.

The Act requires a grower to harvest an industrial hemp crop within 15 days after receiving the certified report of an acceptable THC level. If the grower fails to do so, the grower may submit a request for a second collection of a sample. The second sample must be tested, and the grower must harvest the remaining industrial hemp crop within 15 days after receiving a second certified report.

Under the bill, a grower would have to harvest an industrial hemp crop lot within 30 days after an official hemp sample was collected. If the grower were unable to do so because of any of the following, the grower could submit a request to the Department to collect a second sample: a) weather, b) agricultural practices, c) equipment failure, or d) any other reason approved by the Department. A second official hemp sample collected for this reason would have to be tested, and grower would have to harvest the remaining industrial hemp lot within 30 days after the sample was collected. A grower could not request the Department to collect a second sample for testing for this purpose unless the grower was in good standing with the Department and the request was not for the purpose of delaying the harvest to increase cannabinoid concentration.

Destruction of Noncompliant Hemp

A grower that receives a certified report disclosing a greater-than-acceptable THC level must destroy the crop within 15 days using one of the following methods:

- Plowing under using a curved plow blade to rotate the subsoil to the surface and bury the industrial hemp below the subsoil.
- Mulching, disking, or composting the industrial hemp and blending it with existing soil, manure, or other biomass material.
- Mowing, shredding, deep burial, or burning.

The destroyed industrial hemp must be rendered irretrievable or not ingestible. A grower that destroys industrial hemp must notify the Department at least 48 hours before destroying the industrial hemp. The grower must submit the notice in a form and manner provided by the Department and must include in the notice the reason for destroying the hemp.

Under the bill, a grower that received a certified report disclosing a greater-than-acceptable THC level would have to dispose of the noncompliant hemp lot or remediate it within 30 days after receiving the report. Except as otherwise provided, a grower would have to use one of the following methods for disposal:

- Plowing under using a curved plow blade to rotate the subsoil to the surface and bury the industrial hemp below the subsoil.
- Mulching, disking, or composting the industrial hemp and blending it with existing soil, manure, or other biomass material.
- Mowing, deep burial, or burning.

A grower would have to remediate a noncompliant industrial hemp lot using one of the following methods:

- Removing all of the floral material and disposing of it as specified above.
- Shredding the industrial hemp plant into a biomass-like material.

If a grower remediated a noncompliant industrial hemp lot, the grower would have to contact the Department to collect an official hemp sample of the industrial hemp lot. The sample would have to be tested by a regulatory testing facility. If the results of the total delta-9-THC test indicated a total delta-9-THC concentration of not more than the acceptable THC level, the grower would have to harvest the lot within 30 days after the sample was collected. If the results indicated a total delta-9-THC concentration that was greater than the acceptable THC level, the grower must dispose of the lot as described above. The regulatory testing facility would have to provide the grower and the Department a certified report that stated the results of any total delta-9-THC test completed for these purposes.

A grower that disposed of industrial hemp would have to submit a notice of intent to dispose to the Department at least 48 hours before disposing of the industrial hemp. The grower would have to submit the notice on a form and in a manner provided by the Department. The grower also would have to submit a notice of disposal to the Department within 48 hours after the hemp was disposed of that contained all of the following:

- The date and method of disposal.
- The total acreage or square footage disposed of.
- The reason for disposal.
- Photographic or video evidence of the disposal.

The grower would have to allow an agent of the Department to be present during any disposal or remediation activities conducted. Industrial hemp that was disposed for any of the following reason would not be subject to the bill's disposal requirements: a) poor health, b) pests, c) disease, d) weather, or e) to prevent cross-pollination of male or hermaphrodite plants.

Official Regulatory Laboratory

The Act specifies that the Department's testing laboratory is the official regulatory laboratory for testing, but that the Department may contract with a third-party laboratory to conduct the testing. A third-party laboratory must meet the standards prescribed in the Act.

Under the bill, the Department's laboratory is the official regulatory testing facility for testing official hemp samples. The Department could contract with a third-party laboratory to conduct the testing of official hemp samples. A third-party laboratory would have to meet all of the following requirements:

- Be registered with the DEA.
- Meet the standards under the Act.
- Provide copies of any certified report that stated the results of a completed total delta-9-THC test.

Fees

The Act provides that growers are subject to a registration fee of \$1,250, a site location modification fee (under the bill, a growing location modification fee) of \$50, if applicable. The fee must be paid with a check or money order payable to the State. Under the bill, the fee would have to be paid using a method prescribed by the Department.

A fee charged for total delta-9-THC testing is limited to the reasonable costs of conducting the testing. The Act also requires the Department to charge a reasonable sampling fee not to exceed the costs of the sampling. Under the bill, a grower would have to pay fees charged these purposes within 15 days after receiving the invoice. The Department could refer a fee charged for testing or sampling that remained unpaid for more than 180 days to the Department of Treasury for collection.

Violations & Penalties

A grower negligently violates the Act if the grower, among other things, grows industrial hemp that exceeds the acceptable THC level. Under the bill, this would apply if the hemp did not have more than 1.0% total delta-9-THC on a dry weight basis. Also, violations other than those listed in the Act could be determined to be negligent. If the Department had a reasonable suspicion that the grower was violating the Act, it could issue an oral or written cease and desist order. The Department would have to inform the grower for the reasons for the order. The order would be effective immediately, and failure to comply could subject the grower to an administrative fine. "Dry weight basis" would mean the ratio of the amount of moisture in cannabis to the amount of solid in cannabis.

A grower that negligently violates the Act three times in a five-year period is ineligible to grow hemp for five years from the date of the third violation. Under the bill, the grower would be ineligible to register as a grower.

The Act specifies that a negligent violation is not subject to criminal enforcement. Under the bill, a grower would not be subject to more than one negligent violation per growing season.

If any of a number of allegations are made concerning a grower, including if a grower is alleged to have made a false statement, as determined by the Department, to the Department or a law enforcement agency, the Department must investigate and could suspend the grower's registration for up to 60 days. Under the bill, this would apply if the grower made a false or misleading statement.

If the Department finds by a preponderance of the evidence that an allegation is true, the Department must revoke the grower's registration, effective immediately. The Department or a law enforcement agency either must order the grower to destroy all of the cannabis in its possession or must confiscate all of the cannabis in the grower's possession. Under the bill, the Department or law enforcement agency would have to order the grower to dispose of all of the cannabis in its possession.

A suspension, revocation, or denial of an individual's license could result in the suspension, revocation, or denial of any other license held or applied for by that individual under the Act. The license of a corporation, partnership, or other association could be suspended when a license or license application of a partner, trustee, director or officer, member or a person exercising control of the corporation, partnership, or other association was suspended, revoked or denied.

The Act specifies that a person who individually, or by the action of an agent or employee, or as the agent or employee of another, negligently or with a culpable mental state greater than negligence, violates the Act or a rule promulgated under the Act is subject to an administrative fine. The bill would remove the phrase *negligently or with a culpable mental state greater than negligence*.

The Act requires a violation made with a culpable mental state greater than negligence to be reported to the Attorney General, the USDA, and the chief law enforcement officer of the

State. Under the bill, the Department would have to report a violation of this type to the United States Attorney General, the USDA, and the chief law enforcement officer of the State. ("Culpable mental state greater than negligence" means to act intentionally, knowingly, willfully, or recklessly. "Negligence" means the failure to exercise the level of care that a reasonably prudent person would exercise in the same or similar circumstances.)

Except for a negligent violation, and in addition to an administrative fine imposed as currently allows, a person who violated or attempted to violate the Act would be guilty of a misdemeanor punishable by up to 90 days' imprisonment or a maximum fine of \$5,000, or both. The Department could file, or cause to be filed through the Attorney General, a civil action in which the court could impose on a person who violated or attempted to violate the Act a civil fine of up to \$5,000 for each violation or attempted violation. The Department or Attorney General also could bring an action to recover the reasonable costs of an investigation from a person who violated or attempted to violate the Act. Money recovered in this manner would have to be forwarded to the State Treasurer for deposit into the Industrial Hemp Fund.

A person who violated the Act would be liable for all damages sustained by a purchaser of a product sold in violation of the Act. In an enforcement action, a court, in addition to other sanctions provided by law, could order restitution to a party injured by the purchase of a product sold in violation of the Act.

In addition to the other remedies provided above, the Department could apply to the circuit court for, and the court would have jurisdiction upon hearing and for cause shown, a temporary or permanent injunction restraining a person from violating the Act or rules promulgated under the Act irrespective of whether there existed an adequate remedy at law. The Department could bring an action to enjoin a violation of the Act or a rule promulgated under the Act in the county in which the violation occurred or was about to occur.

As an affirmative defense of an action filed as described above, in addition to any other lawful defense, a person could present evidence that, at the time of the alleged violation or attempted violation, the person was in compliance with the Act and the rules promulgated under the Act

If the Department found that a person individually, or by the action of an agent or employee, or as the agent or employee of another, violated the Act, but the violation did not result in significant harm to public health or the environment, the Department could issue a warning instead of imposing an administrative fine.

Chapter 8-Colleges and Universities

The bill would require a college or university that grew industrial hemp for the purpose of conducting research to do all of the following:

- Register as a grower.
- Collect samples of each lot of industrial hemp and complete a total delta-9-THC test.
- Dispose of noncompliant industrial hemp as prescribed in the bill.

If the college or university adopted alternative methods for collecting a sample and completing a total delta-9-THC test, the college or university would not have to comply with the bill's testing requirements. The adopted total delta-9-THC test would have to achieve a confidence level of 95% with respect to the acceptable THC level.

FISCAL IMPACT

The bill would have a minor fiscal impact on the Michigan Department of Agriculture and Rural Development. The bill would modify current requirements for growing industrial hemp and would require the Department to perform some additional regulatory duties, but not to an extent that it could not be covered by existing resources. The fiscal year 2020-21 budget for the Department's Industrial Hemp Regulatory Program within the Department's Pesticide and Plant Pest Management Division is \$921,900 in restricted industrial hemp fee revenue. The bill also would add a civil fine for violations of the Act (other than for negligent violations or administrative fines) of \$5,000, which could be deposited in the Industrial Hemp Fund to support the Program.

Otherwise, the bill would have a negative fiscal impact on State and local government. New misdemeanor arrests and convictions under the bill could increase resource demands on law enforcement, court systems, community supervision, and jails. However, it is unknown how many people would be prosecuted under the bill's provisions. Additional revenue from imposed fines, other than those the bill would direct to the Industrial Hemp Fund, would go to local libraries.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.