

# SENATE BILL 1035

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By: **Senator Hester**

Introduced and read first time: February 17, 2020

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Hemp Farming Program – Expansion – Processing Hemp**

3 FOR the purpose of expanding the scope and purpose of the Hemp Farming Program to  
4 include monitoring and regulating the processing of hemp; requiring the Department  
5 of Agriculture, in consultation with the Governor and the Attorney General, to  
6 establish a certain plan for monitoring and regulating the processing of hemp in the  
7 State; requiring the Department of Agriculture to establish a procedure for licensing  
8 the processing of hemp in accordance with the plan; prohibiting a certain person from  
9 processing hemp in the State unless the person is licensed by the Department of  
10 Agriculture or the Secretary of the U.S. Department of Agriculture; prohibiting a  
11 person from knowingly failing to comply with the plan, misrepresenting or failing to  
12 provide the legal description of the location at which hemp is processed, or processing  
13 hemp without a valid license; requiring the Department of Agriculture to require a  
14 person who negligently violates this Act to correct the violation; prohibiting a person  
15 from processing hemp in the State for a certain period of time under certain  
16 circumstances; making conforming changes; and generally relating to the Hemp  
17 Farming Program.

18 BY repealing and reenacting, with amendments,  
19 Article – Agriculture  
20 Section 14–302, 14–303, 14–305, 14–306, 14–308, and 14–309  
21 Annotated Code of Maryland  
22 (2016 Replacement Volume and 2019 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
24 That the Laws of Maryland read as follows:

25 **Article – Agriculture**

26 14–302.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



It is the intent of the General Assembly that:

(1) Hemp be established as an agricultural commodity;

(2) Hemp produced **AND PROCESSED** in accordance with this subtitle may be:

(i) Possessed in the State; and

(ii) Sold, distributed, transported, marketed, **OR** manufactured[, or processed] in the State or outside the State; and

(3) Hemp produced outside the State in a state that authorizes the production of hemp may be sold, distributed, transported, marketed, manufactured, or processed in the State.

14–303.

(a) There is a Hemp Farming Program.

(b) The purpose of the Program is to:

(1) Promote the production **AND PROCESSING** of hemp in the State;

(2) Promote the commercial sale of hemp products in the State or outside the State;

(3) Facilitate the research of hemp and hemp products between institutions of higher education and the private sector; and

(4) Monitor and regulate the production **AND PROCESSING** of hemp in the State.

(c) The Department shall administer the Program.

14–305.

(a) The Department, in consultation with the Governor and the Attorney General, shall establish a plan for monitoring and regulating the production **AND PROCESSING** of hemp in the State.

(b) (1) The plan required under subsection (a) of this section shall include:

(i) A practice to maintain, for a period of not less than 3 calendar years, relevant information regarding [the]:

1                   1.     **THE** land on which hemp is produced, including a legal  
2 description of the land; **OR**

3                   2.     **THE LOCATION AT WHICH THE HEMP IS PROCESSED;**

4                   (ii)    A procedure for testing, using postdecarboxylation or another  
5 similarly reliable method, the delta-9-tetrahydrocannabinol concentration levels of hemp  
6 produced in the State;

7                   (iii)   A procedure for the effective disposal of:

8                   1.     Plants, whether growing or not, that are produced **OR**  
9 **PROCESSED** in violation of this subtitle; and

10                  2.     Products derived from plants that are produced **OR**  
11 **PROCESSED** in violation of this subtitle;

12                  (iv)   A procedure for the enforcement of this subtitle;

13                  (v)    A procedure for conducting annual inspections that include, at a  
14 minimum, a random sample of hemp producers **AND PROCESSORS** to verify that hemp is  
15 being produced **AND PROCESSED** in accordance with this subtitle;

16                  (vi)   A procedure for submitting to the Secretary of the U.S.  
17 Department of Agriculture within 30 days of receipt by the Department:

18                  1.     The contact information for each person licensed to  
19 produce **OR PROCESS** hemp;

20                  2.     The legal description of [the]:

21                  **A.     THE** land on which hemp is produced; **OR**

22                  **B.     THE LOCATION AT WHICH THE HEMP IS PROCESSED;**

23 and

24                  3.     The status of each license and any changes to the status of  
25 a license; and

26                  (vii)   A certification that the State has the resources and personnel to  
27 carry out the practices and procedures required under the plan.

28                  (2)    The plan required under subsection (a) of this section may include any  
29 other practice or procedure that is consistent with federal law.

30                  (c)    (1)   The Department shall submit the plan required under subsection (a) of

1 this section to the Secretary of the U.S. Department of Agriculture for approval.

2 (2) If the Secretary of the U.S. Department of Agriculture does not approve  
3 the plan submitted under paragraph (1) of this subsection, the Department shall:

4 (i) Amend the plan; and

5 (ii) Submit the amended plan to the Secretary of the U.S.  
6 Department of Agriculture.

7 14–306.

8 (a) The Department shall establish a procedure for licensing the production **AND**  
9 **PROCESSING** of hemp in accordance with the plan established under § 14–305 of this  
10 subtitle.

11 (b) The Department may set reasonable fees for the issuance and renewal of  
12 licenses and other services the Department provides under this subtitle.

13 (c) The Department shall pay all funds collected under this section into the Fund.

14 14–308.

15 (a) This section does not apply to an institution of higher education or a person  
16 that produces **OR PROCESSES** hemp under the Hemp Research Pilot Program in  
17 accordance with Subtitle 2 of this title.

18 (b) A person may not produce **OR PROCESS** hemp in the State unless the person  
19 is licensed by:

20 (1) The Department; or

21 (2) The Secretary of the U.S. Department of Agriculture.

22 14–309.

23 (a) (1) A person may not knowingly:

24 (i) Fail to comply with the Department’s plan for monitoring and  
25 regulating the production **AND PROCESSING** of hemp established under § 14–305 of this  
26 subtitle;

27 (ii) Misrepresent or fail to provide the legal description of:

28 1. **THE** land on which hemp is produced; **OR**

1                                   **2.     THE LOCATION AT WHICH THE HEMP IS PROCESSED;**

2                                   (iii)    Produce **OR PROCESS** hemp without a valid license; or

3                                   (iv)    Produce plants, or any part of a plant, that exceeds a  
4   delta-9-tetrahydrocannabinol concentration of 0.3% on a dry weight basis.

5                                   (2)     The Department shall report a person that knowingly violates this  
6   subtitle to the Attorney General and the U.S. Attorney.

7                                   (b)     (1)    If the Department determines that a person negligently violated this  
8   subtitle, the Department shall require the person to correct the violation, including  
9   requiring that:

10                                  (i)     The violation be corrected by a reasonable date; and

11                                  (ii)    The person report to the Department, at a frequency determined  
12   by the Department and for a period of not less than 2 calendar years, to verify compliance  
13   with this subtitle.

14                                  (2)     If a person is found by the Department to have negligently violated this  
15   subtitle three times in a 4-year period, the person may not produce **OR PROCESS** hemp in  
16   the State for a period of 5 years beginning on the date of the third violation.

17                                  SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18   October 1, 2020.