

Senate Study Bill 1031

Bill Text

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1 1 Section 1. FINDINGS. The general assembly finds that a
1 2 trend exists among states to consider the economic importance
1 3 of industrial hemp, which is a major crop in other nations.
1 4 Industrial hemp historically has contributed to the economic
1 5 welfare of this country, and is a renewable natural resource
1 6 manufactured for textiles, pulp, paper, oil, building
1 7 materials, and other products. The purpose of this Act is to
1 8 promote the economy of this state by promoting industrial hemp
1 9 as a viable crop.

1 10 Sec. 2. NEW SECTION. 159.41 INDUSTRIAL HEMP LICENSING
1 11 AND REGULATION.

1 12 1. As used in this section, "industrial hemp" means
1 13 cannabis sativa L. which has a percentage of
1 14 tetrahydrocannabinol of not more than one percent, as provided
1 15 by rules which shall be adopted by the department.

1 16 2. The department of agriculture and land stewardship, in
1 17 cooperation with the department of public safety, shall
1 18 administer this section. The department of agriculture and
1 19 land stewardship shall cooperate with other law enforcement
1 20 agencies. The department shall also collaborate with agencies
1 21 of the United States government, including but not limited to
1 22 the drug enforcement administration of the United States
1 23 department of justice, in order to provide for the production,
1 24 harvesting, storage, and marketing of industrial hemp
1 25 according to the terms and conditions required by the United
1 26 States government. The department may execute any memorandum
1 27 of understanding with a United States government agency in
1 28 order to administer this section.

1 29 3. To the extent permitted by the United States
1 30 government, the department shall issue licenses to persons for
1 31 the production, harvesting, storage, and marketing of
1 32 industrial hemp, notwithstanding any section of this chapter
1 33 to the contrary. A person must possess a license pursuant to
1 34 this section to produce, harvest, store, or market industrial
1 35 hemp. The department of agriculture and land stewardship
2 1 shall limit the number of licenses that it grants each year in
2 2 order to ensure that the department of agriculture and land
2 3 stewardship, in cooperation with the department of public
2 4 safety, may strictly enforce compliance with the requirements
2 5 of this section. A license shall expire not later than one
2 6 year following the date of issuance.

2 7 a. A person applying for a license shall file an
2 8 application on a form prescribed by the department of
2 9 agriculture and land stewardship according to procedures
2 10 required by the department. The department may charge an
2 11 application fee which shall not exceed five hundred dollars.
2 12 An applicant and each employee of the applicant must satisfy
2 13 eligibility requirements of the department, which shall
2 14 include but shall not be limited to all of the following:

2 15 (1) Be eighteen years of age or older.

2 16 (2) Never have been convicted of a felony, an aggravated
2 17 misdemeanor, or of any other offense related to the possession
2 18 of a controlled substance.

2 19 (3) Not be addicted to the use of alcohol or a controlled
2 20 substance.

2 21 (4) Be of good moral character and not have been judged

2 22 guilty of a crime involving moral turpitude.

2 23 b. The licensee shall maintain accurate records as
2 24 required by the department, which shall contain information
2 25 relating to the licensee's operation, including but not
2 26 limited to the production site, the time and manner of
2 27 harvest, and persons involved in the production, harvesting,
2 28 and marketing of the industrial hemp.

2 29 4. Notwithstanding chapter 124, the licensee may produce,
2 30 harvest, store, and market industrial hemp. However, the
2 31 licensee must act in strict conformance with this section.
2 32 The licensee shall raise industrial hemp upon demonstration
2 33 plots as approved by the department. The demonstration plots
2 34 must be used to develop optimal agricultural practices for
2 35 raising industrial hemp. All plant materials from industrial
3 1 hemp grown on demonstration plots, except plant materials
3 2 retained for breeding and propagation, must be used for
3 3 commercial uses approved by the department.

3 4 5. The department of agriculture and land stewardship or
3 5 the department of public safety may inspect a production,
3 6 storage, or marketing site of a licensee at any time, and may
3 7 inspect records required to be maintained as provided in this
3 8 section. The department of agriculture and land stewardship
3 9 shall assess and the licensee shall pay the actual costs of
3 10 the inspection. If the owner or occupant of any property used
3 11 by the licensee refuses admittance onto the property, or if
3 12 prior to such refusal the department of agriculture and land
3 13 stewardship or department of public safety demonstrates the
3 14 necessity for a warrant, the department of agriculture and
3 15 land stewardship may make application under oath or
3 16 affirmation to the district court of the county in which the
3 17 property is located for the issuance of a search warrant. If
3 18 the court is satisfied from examination of the applicant, of
3 19 other witnesses, if any, and of the allegations of the
3 20 application of the existence of the grounds of the
3 21 application, or that probable cause exists to believe such
3 22 grounds exist, the court may issue such search warrant.

3 23 6. The department may suspend or revoke a license if the
3 24 licensee or an employee of the licensee is determined to have
3 25 committed any of the following:

3 26 a. Fraud in applying for or obtaining a license.

3 27 b. A violation of this section or rules adopted by the
3 28 department pursuant to this section, including failing to
3 29 comply with a requirement of this section.

3 30 c. An offense involving moral turpitude, a felony, an
3 31 aggravated misdemeanor, or any other offense related to the
3 32 possession of a controlled substance.

3 33 7. a. Except as provided in paragraph "b", an applicant
3 34 for a license or a licensee who knowingly violates a
3 35 requirement of this section or a rule adopted by the
4 1 department pursuant to this section is subject to a civil
4 2 penalty of not more than fifty thousand dollars.

4 3 b. A person who makes a false statement on the application
4 4 for a license regarding the conviction of a felony, aggravated
4 5 misdemeanor, or any other offense related to the possession of
4 6 a controlled substance is guilty of an aggravated misdemeanor.

4 7 Sec. 3. Section [317.1A](#), Code 2001, is amended by adding
4 8 the following new unnumbered paragraph:

4 9 NEW UNNUMBERED PARAGRAPH. "Industrial hemp" which is
4 10 produced as provided in section 159.41 is not a noxious weed.

4 11 EXPLANATION

4 12 This bill provides for the production of industrial hemp
4 13 which has a percentage of tetrahydrocannabinol of not more
4 14 than 1 percent.

4 15 The bill requires the department of agriculture and land
4 16 stewardship, in cooperation with the department of public
4 17 safety, to administer a program to license persons involved in
4 18 industrial hemp production. The bill requires the department

4 19 to collaborate with agencies of the United States government,
4 20 including but not limited to the drug enforcement
4 21 administration in order to provide for the production,
4 22 harvesting, storage, and marketing of industrial hemp
4 23 according to the terms and conditions required by the United
4 24 States government. The bill provides that to the extent
4 25 permitted by the United States government, the department
4 26 shall issue licenses to persons for the production,
4 27 harvesting, storage, and marketing of industrial hemp,
4 28 notwithstanding any other provision of the Code chapter 124
4 29 regulating controlled substances. The bill provides
4 30 requirements for applicants and persons involved in the
4 31 production, harvesting, storage, and marketing of industrial
4 32 hemp. The bill provides for the inspection of the premises
4 33 and records of licensees. The bill provides for the
4 34 suspension or revocation of a license.
4 35 The bill provides that licensees who violate the provisions
5 1 of the bill are subject to a civil penalty of up to \$50,000.
5 2 The bill provides that a person who makes a false statement on
5 3 the application for a license regarding a conviction of a
5 4 felony, aggravated misdemeanor, or any other offense related
5 5 to the possession of a controlled substance is guilty of an
5 6 aggravated misdemeanor. An aggravated misdemeanor is
5 7 punishable by confinement for no more than two years and a
5 8 fine of at least \$500 but not more than \$5,000.
5 9 LSB 1975SC 79
5 10 da/gg/8