

Industrial Hemp Program Study Committee

Monday, November 21, 2016

12:30 p.m.

Room 103

PANEL #2

KENTUCKY REVISED STATUTES

KRS 260.850 to 260.869 Industrial Hemp

- 260.850 Definitions for KRS 260.850 to 260.869.
- 260.8505 Purpose of KRS 260.850 to 260.869 declared to be the support of industrial hemp production, development, and commercialization -- Accomplishment of purpose achieved through auspices of Industrial Hemp Commission, research, and pursuit of federal permits or waivers -- General Assembly finds that development of industrial hemp is proper governmental purpose and important to Commonwealth's well-being.
- 260.851 Administrative regulations to license research on industrial hemp and hemp products and establish testing criteria and protocols.

KRS 260.850 to 260.869 Industrial Hemp

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- 260.854 Conditions and procedures for issuing industrial hemp research program grower license and industrial hemp grower licenses -- Content and processing of applications for licenses -- Criminal background checks -- Commissioner's discretion in approving licenses -- License fees set by administrative regulations -- Monitoring requirements.
- 260.855 Rights and duties of industrial hemp grower licensee -- Operational procedures for licensed growers -- Standards for transporting industrial hemp off premises of licensed grower -- Seizure and disposal of hemp deemed contraband.
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260.850 Definitions for KRS 260.850 to 260.869.

As used in KRS 260.850 to 260.869:

- (1) "Agribusiness" has the same meaning as in KRS 154.32-010;
- (2) "Certified seed" means industrial hemp seed, including but not limited to Kentucky heritage hemp seed, that has been certified as having no more tetrahydrocannabinol concentration than that adopted by federal law in the Controlled Substances Act, 21 U.S.C. secs. 801 et seq.;
- (3) "Commission" means the Industrial Hemp Commission created by KRS 260.857;
- (4) "Grower" means any person licensed to grow industrial hemp by the commission pursuant to KRS 260.854;
- (5) "Hemp products" means all products made from industrial hemp, including, but not limited to, cloth, cordage, fiber, food, fuel, paint, paper, particleboard, plastics, seed, seed meal and seed oil for consumption, and certified seed for cultivation if the seeds originate from industrial hemp varieties;
- (6) (a) "Industrial hemp" means all parts and varieties of the plant *cannabis sativa*, cultivated or possessed by a licensed grower, whether growing or not, that contain a tetrahydrocannabinol concentration of no more than that adopted by federal law in the Controlled Substances Act, 21 U.S.C. secs. 801 et seq.
(b) "Industrial hemp" as defined and applied in KRS 260.850 to 260.869 is excluded from the definition of marijuana in KRS 218A.010;
- (7) "Kentucky heritage hemp seed" means industrial hemp seed that possesses characteristics of the unique and specialized industrial hemp seed variety that originated in the Commonwealth and has been recognized historically as a signature export of this state;
- (8) "Seed research" means research conducted to develop or recreate better strains of industrial hemp, particularly for the purposes of seed production. In conducting this research, higher THC concentration varieties of industrial hemp may be grown to provide breeding strains to revitalize the production of a Kentucky strain of industrial hemp. However, in no case shall the THC levels exceed three-tenths of one percent (0.3%); and
- (9) "Tetrahydrocannabinol" or "THC" means the natural or synthetic equivalents of the substances contained in the plant, or in the resinous extractives of, *cannabis*, or any synthetic substances, compounds, salts, or derivatives of the plant or chemicals and their isomers with similar chemical structure and pharmacological activity.

Effective: June 25, 2013

History: Amended 2013 Ky. Acts ch. 134, sec. 1, effective June 25, 2013. -- Created 2001 Ky. Acts ch. 138, sec. 1, effective June 21, 2001.

Legislative Research Commission Note (3/19/2013). This statute was amended by 2013 Ky. Acts chs. 26 and 134, which do not appear to be in conflict and have been codified together.

260.8505 Purpose of KRS 260.850 to 260.869 declared to be the support of industrial hemp production, development, and commercialization -- Accomplishment of purpose achieved through auspices of Industrial Hemp Commission, research, and pursuit of federal permits or waivers -- General Assembly finds that development of industrial hemp is proper governmental purpose and important to Commonwealth's well-being.

- (1) The purpose of KRS 260.850 to 260.869 is to assist the Commonwealth in moving to the forefront of industrial hemp production, development, and commercialization of hemp products in agribusiness, alternative fuel production, and other business sectors, both nationally and globally and to the greatest extent possible. These purposes shall be accomplished, in part, through:
 - (a) The auspices of the Industrial Hemp Commission created by KRS 260.857;
 - (b) The industrial hemp research program overseen by the commission, working in conjunction with the staff of the University of Kentucky Agricultural Experiment Station, along with the University of Louisville, the various comprehensive universities as defined in KRS 164.001, and other research partners. This research program shall include the planting, cultivation, and analysis of industrial hemp demonstration plots by selected growers that are licensed by the commission pursuant to KRS 260.854; and
 - (c) The pursuit of any federal permits or waivers necessary to allow industrial hemp to be grown in the Commonwealth.
- (2) The General Assembly hereby finds and declares that the authority granted in KRS 260.850 to 260.869 and the purposes accomplished hereby are proper governmental and public purposes, and that the development of industrial hemp production and commercial markets for hemp products within the Commonwealth is important to its economic well-being.

Effective: June 25, 2013

History: Created 2013 Ky. Acts ch. 134, sec. 2, effective June 25, 2013.

260.851 Administrative regulations to license research on industrial hemp and hemp products and establish testing criteria and protocols.

The commission shall promulgate administrative regulations, in accordance with KRS Chapter 13A, as necessary to administer the industrial hemp research program, and to license persons to grow industrial hemp, pursuant to KRS 260.850 to 260.869. The commission shall include as part of its administrative regulations, at a minimum, the establishment of industrial hemp testing criteria and protocols.

Effective: June 25, 2013

History: Amended 2013 Ky. Acts ch. 134, sec. 3, effective June 25, 2013. -- Created 2001 Ky. Acts ch. 138, sec. 2, effective June 21, 2001.

260.853 Promotion of research and development of markets for Kentucky industrial hemp and hemp products -- Responsibilities of the commission -- Establishment of five year research program -- Demonstration plots overseen by University of Kentucky Agricultural Experiment Station -- Research into new energy technologies -- Coordination with universities and the Cabinet for Economic Development -- Exemption from criminal liability -- Annual report.

- (1) The commission shall promote the research and development of industrial hemp, and commercial markets for Kentucky industrial hemp and hemp products, as provided in this section, to the extent that adequate funds are available and are approved by the commission for these purposes from the industrial hemp program fund. The commission shall work cooperatively with selected Kentucky university or universities' agricultural research programs utilizing the expertise of the university or universities in the area of agricultural research.
- (2) In addition to its other pursuits, the commission shall undertake research of industrial hemp production through the establishment and oversight of a five (5) year industrial hemp research program, to be directly managed by the University of Kentucky Agricultural Experiment Station, to the extent that adequate funds are available for the program from the industrial hemp program fund. This research program shall consist primarily of demonstration plots planted and cultivated in this state by selected growers, which shall be required to be licensed by the commission pursuant to KRS 260.854 prior to planting any industrial hemp.
- (3) The commission shall pursue any permits or waivers from the United States Drug Enforcement Agency or appropriate federal agency that are necessary for the advancement of the industrial hemp research program.
- (4) As part of the industrial hemp research program the commission shall, through the University of Kentucky Agricultural Experiment Station and in collaboration with the University of Louisville, the various comprehensive universities as defined in KRS 164.001, to the greatest extent possible according to the particular area of research expertise of each university, and other research partners:
 - (a) Oversee and analyze the growth of industrial hemp by selected and licensed growers, for agronomy research and analysis of required soils, growing conditions, and harvest methods relating to the production of various varieties of industrial hemp that may be suitable for various commercial hemp products;
 - (b) Conduct seed research on various types of industrial hemp that are best suited to be grown in Kentucky, including but not limited to seed availability, creation of Kentucky hybrid types, in-the-ground variety trials and seed production, and establish a program to recognize certain industrial hemp seed as being Kentucky heritage hemp seed;
 - (c) Study the economic feasibility of developing an industrial hemp market in various types of industrial hemp that can be grown in the Commonwealth;
 - (d) Report on the estimated value-added benefits, including environmental benefits, that Kentucky businesses would reap by having an industrial hemp

- market of Kentucky-grown industrial hemp varieties in the Commonwealth;
- (e) Study the agronomy research being conducted worldwide relating to industrial hemp varieties, production, and utilization;
 - (f) Research and promote Kentucky industrial hemp and hemp seed on the world market that can be grown on farms in the Commonwealth; and
 - (g) Study the feasibility of attracting federal and private funding for the Kentucky industrial hemp research program.
- (5) In addition to the research and analysis outlined in subsection (4) of this section, the commission shall:
- (a) Coordinate with the University of Kentucky Center for Applied Energy Research to study the use of industrial hemp in new energy technologies. This research shall include but not be limited to:
 - 1. Evaluation of the use of industrial hemp to generate electricity, and to produce biofuels and other forms of energy resources;
 - 2. Growth of industrial hemp on reclaimed mine sites;
 - 3. Use of hemp seed oil in the production of fuels; and
 - 4. An assessment of the production costs, environmental issues, and costs and benefits involved with the use of industrial hemp for energy; and
 - (b) Coordinate with the Cabinet for Economic Development to promote awareness of the financial incentives that may be available to agribusiness and manufacturing companies that manufacture industrial hemp into hemp products, as provided through the Kentucky Business Investment program pursuant to Subchapter 32 of KRS Chapter 154, in order to diversify the agricultural economy of the Commonwealth, attract new businesses to the state, create new job opportunities for Kentucky residents, and create a commercial market for industrial hemp.
- (6) The research activities outlined in subsections(4) and (5) of this section shall not:
- (a) Subject the industrial hemp research program to any criminal liability under the controlled substances laws of the Commonwealth. This exemption from criminal liability is a limited exemption that shall be strictly construed and that shall not apply to any activities of the industrial hemp research program that are not expressly permitted in the authorization; or
 - (b) Alter, amend, or repeal by implication any provision of the Kentucky Revised Statutes relating to controlled substances.
- (7) The commission shall notify the Department of Kentucky State Police and all local law enforcement agencies of the duration, size, and location of all industrial hemp demonstration plots.
- (8) The commission may cooperatively seek funds from both public and private sources to implement the industrial hemp research program. The funds shall be deposited into the industrial hemp program fund.
- (9) By December 31, 2013, and annually thereafter, the commission shall report on the status and progress of the industrial hemp research program to the Governor and to

the Legislative Research Commission.

Effective: June 25, 2013

History: Amended 2013 Ky. Acts ch. 134, sec. 4, effective June 25, 2013. -- Amended 2010 Ky. Acts ch. 135, sec. 8, effective July 15, 2010. -- Amended 2007 Ky. Acts ch. 85, sec. 277, effective June 26, 2007. -- Created 2001 Ky. Acts ch. 138, sec. 3, effective June 21, 2001.

260.854 Conditions and procedures for issuing industrial hemp research program grower license and industrial hemp grower licenses -- Content and processing of applications for licenses -- Criminal background checks -- Commissioner's discretion in approving licenses -- License fees set by administrative regulations -- Monitoring requirements.

- (1) The commission shall establish a program of licensure to allow persons to grow industrial hemp in the Commonwealth, as provided in this section. The program shall include the following two (2) separate forms of license:
 - (a) An industrial hemp research program grower license, to allow a person to grow industrial hemp in this state in a controlled fashion solely and exclusively as part of the industrial hemp research program overseen by the commission. This form of licensure shall only be allowed subject to a grant of necessary permissions, waivers, or other form of valid legal status by the United States Drug Enforcement Agency or other appropriate federal agency pursuant to applicable federal laws relating to industrial hemp; and
 - (b) An industrial hemp grower license, to allow a person to grow industrial hemp in this state for any purpose. This form of licensure shall only be allowed subject to the authorization of legal industrial hemp growth and production in the United States under applicable federal laws relating to industrial hemp.
- (2) Any person seeking to grow industrial hemp, whether as part of the industrial hemp research program or otherwise, shall apply to the commission for the appropriate license on a form provided by the commission. At a minimum, the application shall include:
 - (a) The name and mailing address of the applicant;
 - (b) The legal description and global positioning coordinates sufficient for locating the production fields to be used to grow industrial hemp. A license shall authorize industrial hemp propagation only on the land areas specified in the license;
 - (c) A signed statement indicating whether the applicant has ever been convicted of a felony or misdemeanor. A person with a prior felony drug conviction within ten (10) years of applying for a license under this section shall not be eligible for the license;
 - (d) Written consent allowing the Department of Kentucky State Police, if a license is ultimately issued to the applicant, to enter onto the premises on which the industrial hemp is grown to conduct physical inspections of industrial hemp planted and grown by the applicant, and to ensure compliance with the requirements of KRS 260.850 to 260.869. No more than two (2) physical inspections shall be conducted under this paragraph per year, unless a valid search warrant for an inspection has been issued by a court of competent jurisdiction. All testing for THC levels shall be performed as provided in subsection (11) of this section;
 - (e) Any other information required by the commission; and
 - (f) The payment of a nonrefundable application fee, in an amount set by the

commission and used to offset the cost of administering the licensure program.

- (3) The commission shall require a state or national criminal history background check by the Department of Kentucky State Police on all persons applying for licensure. The Department of Kentucky State Police may charge a fee, as established by the commission, to be paid by the applicant for the actual cost of processing the background check. A copy of the results of the background check shall be sent to the commission.
- (4) All license applications shall be processed as follows:
 - (a) Upon receipt of a license application, the commission shall forward a copy of the application to the Department of Kentucky State Police which shall initiate its review thereof;
 - (b) The Department of Kentucky State Police shall:
 1. Perform the required state or national criminal history background check of the applicant;
 2. Approve the application, if it is determined that the requirements relating to prior criminal convictions have been met; and
 3. Return all applications to the commission together with its findings and a copy of the state or national criminal history background check; and
 - (c) The commission shall review all license applications returned from the Department of Kentucky State Police. If the commission determines that all requirements have been met and that a license should be granted to the applicant, taking into consideration any prior convictions of the applicant, the commission shall approve the application for issuance of a license.
- (5) In the case of industrial hemp research program grower licenses, the provisions of subsection (4) of this section shall apply, except that the commission may approve licenses for only those selected growers whose demonstration plots will, in the discretion of the commission, advance the goals of the industrial hemp research program to the furthest extent possible based on location, soil type, growing conditions, various varieties of industrial hemp that may be suitable for various hemp products, and other relevant factors. The location, and the total number and acreage, of all demonstration plots to be grown by license holders shall be determined at the discretion of the commission.
- (6) The number of acres to be planted under each license shall be established by the commission.
- (7) Each license shall be valid for a period of one (1) year from the date of issuance, and may be renewed in successive years. Each annual renewal shall require the payment of a license renewal fee.
- (8) The commission shall, by administrative regulation, establish the fee amounts required for license applications and license renewals allowed under this section. All application and license renewal fees collected by the commission shall be deposited in the industrial hemp program fund established in KRS 260.869.
- (9) A copy of, or appropriate electronic record of, each license issued by the

commission under this section shall be forwarded immediately to the sheriff of each county where the industrial hemp is licensed to be planted, grown, and harvested.

- (10) All records, data, and information filed in support of a license application shall be considered proprietary and subject to inspection only upon the order of a court of competent jurisdiction.
- (11) The commission shall be responsible for monitoring the industrial hemp grown by any license holder, and shall provide for random testing of the industrial hemp for compliance with THC levels and for other appropriate purposes at the cost of the license holder. The commission shall establish necessary testing criteria and protocols through promulgation of administrative regulations pursuant to KRS 260.851 and in accordance with KRS Chapter 13A.

Effective: June 25, 2013

History: Created 2013 Ky. Acts ch. 134, sec. 11, effective June 25, 2013.

260.855 Rights and duties of industrial hemp grower licensee -- Operational procedures for licensed growers -- Standards for transporting industrial hemp off premises of licensed grower -- Seizure and disposal of hemp deemed contraband.

- (1) A person shall obtain an industrial hemp grower license pursuant to KRS 260.854 prior to planting or growing any industrial hemp in this state. An industrial hemp grower license holder who has planted and grown industrial hemp pursuant to a valid grower license may sell industrial hemp produced by the grower to any person engaged in agribusiness or other manufacturing for the purpose of processing or manufacturing that industrial hemp into hemp products.
- (2) A person granted an industrial hemp grower license shall:
 - (a) Maintain records that reflect compliance with KRS 260.850 to 260.869, and with all other state laws regulating the planting and cultivation of industrial hemp;
 - (b) Retain all industrial hemp production records for at least three (3) years;
 - (c) Allow industrial hemp crops, throughout sowing, growing, and harvesting, to be inspected by and at the discretion of the commission or its designees, and the Department of Kentucky State Police and other law enforcement officers;
 - (d) File with the commission documentation indicating that the industrial hemp seeds planted were of a type and variety certified to have no more THC concentration than that adopted by federal law in the Controlled Substances Act, 21 U.S.C. secs. 801 et seq.;
 - (e) Notify the commission of the sale of any industrial hemp grown under the license and the names and addresses of the persons to whom the industrial hemp was sold; and
 - (f) Provide the commission with copies of any contracts between the licensee and any person to whom industrial hemp was sold.
- (3) The commission shall assist the grower with his or her compliance with the requirements of this section.
- (4) Any person licensed to grow industrial hemp under KRS 260.850 to 260.869 may import and resell industrial hemp seed that has been certified as having no more THC concentration than that adopted by federal law in the Controlled Substances Act, 21 U.S.C. secs. 801 et seq.
- (5)
 - (a) Only industrial hemp grower licensees or their designees or agents shall be permitted to transport industrial hemp off the premises of the licensee.
 - (b) When transporting industrial hemp off the premises of an industrial hemp grower licensee, the licensee or their designee or agent shall carry with them the licensing documents from the commission, evidencing that the industrial hemp was grown by a licensee and is from certified seed.
 - (c) Any industrial hemp that is found in this state at any location off the premises of an industrial hemp grower licensee is deemed to be contraband and subject to seizure by the commission, the Department of Kentucky State Police, or

any law enforcement officer, if the person in possession of the industrial hemp does not have in his or her possession either:

1. The proper licensing documents, as required by paragraph (b) of this subsection; or
 2. A bill of lading, or other proper documentation, demonstrating that the industrial hemp was legally imported or is otherwise legally present in this state under applicable state and federal laws relating to industrial hemp.
- (d) Any industrial hemp seized pursuant to paragraph (c) of this subsection shall be disposed of in accordance with KRS 500.090.

Effective: June 25, 2013

History: Created 2013 Ky. Acts ch. 134, sec. 12, effective June 25, 2013.

260.856 Forfeiture of right to grow hemp following revocation of industrial hemp grower license -- Failure to comply with administrative regulations -- Plea to or conviction of felony -- Administrative hearings and appeals.

- (1) An industrial hemp grower licensee who does not comply with the requirements of KRS 260.850 to 260.869, or the administrative regulations promulgated thereunder, shall have his or her license revoked and shall forfeit the right to grow industrial hemp in this state for a period of up to five (5) years as provided in this section.
- (2) A license revocation or forfeiture shall occur pursuant to this section only after the licensee has had an opportunity, upon due notice, for an informal hearing before the chair of the commission, to show cause why the license should not be revoked and the licensee's right to grow forfeited.
- (3) The chair of the commission may revoke any license of a person who has pled guilty to, or been convicted of, a felony.
- (4) If a license is revoked and a licensee's right to grow is forfeited as the result of an informal hearing, the decision may be appealed, and upon appeal an administrative hearing shall be conducted before the commission in accordance with KRS Chapter 13B.
- (5) The licensee may appeal the final order of the commission by filing a petition in the Fayette Circuit Court, or the Circuit Court in which the licensee resides, in accordance with KRS Chapter 13B.

Effective: June 25, 2013

History: Created 2013 Ky. Acts ch. 134, sec. 13, effective June 25, 2013.

260.857 Kentucky Industrial Hemp Commission -- Membership.

- (1) The Kentucky Industrial Hemp Commission is created and is attached to the University of Kentucky Agricultural Experiment Station for administrative purposes.
- (2) The membership of the commission shall consist of at least the following members:
 - (a) The Commissioner of the Department of Agriculture or the Commissioner's designee;
 - (b) The commissioner of the Department of Kentucky State Police or the commissioner's designee;
 - (c) The executive director of the Governor's Office of Agricultural Policy or the executive director's designee;
 - (d) The dean of the University of Kentucky College of Agriculture or the dean's designee;
 - (e) One (1) member representing each of the following institutions choosing to participate in the commission:
 1. Eastern Kentucky University;
 2. Kentucky State University;
 3. Morehead State University;
 4. Murray State University;
 5. Northern Kentucky University;
 6. University of Louisville; and
 7. Western Kentucky University;
 - (f) The president of the Kentucky Hemp Growers Cooperative Association;
 - (g) The president of the Kentucky Sheriffs' Association or the association president's designee;
 - (h) The president of the Kentucky Association of Chiefs of Police or the association president's designee;
 - (i) Six (6) members, three (3) appointed by the Speaker of the House and three (3) by the President of the Senate, representing the following interests:
 1. Kentucky farmers with an interest in growing industrial hemp;
 2. Retailers of industrial hemp products;
 3. Wholesalers of industrial hemp products; and
 4. Manufacturers of industrial hemp products; and
 - (j) Two (2) at-large members on a recommendation of the chair and approved by a majority of the members of the commission.
- (3)
 - (a) Except as provided in paragraph (b) of this subsection, members appointed pursuant to subsection (2)(i) and (j) of this section shall serve a term of four (4) years, and may be reappointed.
 - (b) The term of office of each member appointed pursuant to subsection (2)(i) and (j) of this section, who is serving on the commission on June 25, 2013, shall

expire on December 31, 2013. Upon the expiration of a member's term of office pursuant to this paragraph, that position shall be filled by appointment as provided in this section.

Effective: July 15, 2014

History: Amended 2014 Ky. Acts ch. 114, sec. 1, effective July 15, 2014. -- Amended 2013 Ky. Acts ch. 134, sec. 5, effective June 25, 2013. -- Amended 2009 Ky. Acts ch. 32, sec. 3, effective June 25, 2009. -- Amended 2007 Ky. Acts ch. 85, sec. 278, effective June 26, 2007. -- Created 2001 Ky. Acts ch. 138, sec. 4, effective June 21, 2001.

260.859 Quorum for commission -- Chair and vice chair.

- (1) A majority of the members of the commission shall constitute a quorum.
- (2) The Commissioner of the Department of Agriculture shall serve as vice chair, and the commission shall elect annually one (1) member from among the remaining members to serve as chair.

Effective: June 25, 2013

History: Amended 2013 Ky. Acts ch. 134, sec. 6, effective June 25, 2013. -- Created 2001 Ky. Acts ch. 138, sec. 5, effective June 21, 2001.

260.861 Meetings -- Compensation of members -- Staff services by Department of Agriculture and University of Kentucky Agricultural Experiment Station.

- (1) The commission shall meet quarterly and may meet more often upon the call of the chair or by a majority of the members.
- (2) The commission shall be appointed and conduct the first meeting by July 1, 2001.
- (3) Except as provided in KRS 18A.200, members of the commission shall receive actual traveling expenses while attending meetings of the commission.
- (4) Research and development related services for the commission shall be provided by the University of Kentucky Agricultural Experiment Station. Administrative support services shall be provided to the commission by the Department of Agriculture at the request of the commission, including but not limited to services relating to:
 - (a) Testing of industrial hemp;
 - (b) The processing of documents relating to the program of licensure;
 - (c) Financial accounting and recordkeeping, and other budgetary functions; and
 - (d) Meeting coordination and staffing.
- (5) Administrative expenses of the commission, including but not limited to expenses for the services outlined in subsection (4) of this section, shall be paid from the industrial hemp program fund established in KRS 260.869 as approved by the commission.

Effective: June 25, 2013

History: Amended 2013 Ky. Acts ch. 134, sec. 7, effective June 25, 2013. -- Created 2001 Ky. Acts ch. 138, sec. 6, effective June 21, 2001.

260.863 Recommendations and annual report of commission.

In addition to the report required in KRS 260.853, the commission shall report to the Governor and to the Legislative Research Commission with respect to industrial hemp policies and practices that will result in the proper legal growing, management, use, and marketing of the state's potential industrial hemp industry. These policies and practices shall, at a minimum, address the following:

- (1) Federal laws and regulatory constraints;
- (2) The economic and financial feasibility of an industrial hemp market in Kentucky;
- (3) Kentucky businesses that utilize industrial hemp;
- (4) Examination of research on industrial hemp production and utilization;
- (5) The potential for globally marketing Kentucky industrial hemp;
- (6) Feasibility study of private funding for the Kentucky industrial hemp research program;
- (7) Law enforcement concerns;
- (8) Statutory and regulatory schemes for growing of industrial hemp by private producers; and
- (9) Technical support and education about industrial hemp.

Effective: June 25, 2013

History: Amended 2013 Ky. Acts ch. 134, sec. 8, effective June 25, 2013. -- Amended 2010 Ky. Acts ch. 135, sec. 9, effective July 15, 2010. -- Created 2001 Ky. Acts ch. 138, sec. 7, effective June 21, 2001.

260.865 Mandatory adoption of federal rules and regulations regarding industrial hemp -- KRS 260.850 to 260.869 not to conflict with federal law.

- (1) Kentucky shall adopt the federal rules and regulations that are currently enacted regarding industrial hemp and any subsequent changes thereto.
- (2) Nothing in KRS 260.850 to 260.869 shall be construed to authorize any person to violate any federal rules or regulations.
- (3) If any part of KRS 260.850 to 260.869 conflicts with a provision of federal law relating to industrial hemp that has been adopted in Kentucky under this section, the federal provision shall control to the extent of the conflict.

Effective: June 25, 2013

History: Amended 2013 Ky. Acts ch. 134, sec. 9, effective June 25, 2013. -- Created 2001 Ky. Acts ch. 138, sec. 8, effective June 21, 2001.

260.868 Eligibility of industrial hemp growers to receive tobacco settlement funds under Master Settlement Agreement.

Industrial hemp growers licensed under KRS 260.850 to 260.869 may be eligible to receive funds received by the state under the Master Settlement Agreement and placed in the rural development fund established in KRS 248.655.

Effective: June 25, 2013

History: Created 2013 Ky. Acts ch. 134, sec. 14, effective June 25, 2013.

260.869 Industrial hemp program fund.

- (1) There is established in the State Treasury a trust and agency fund entitled the industrial hemp program fund, to be administered by the commission for the purpose of covering the costs of the commission and the industrial hemp research program, as approved by the commission.
- (2) The fund may receive state appropriations, gifts, grants, federal funds, and any other funds both public and private, and shall receive all license application fees and license renewal fees collected by the commission. Money deposited in the fund is hereby appropriated for purposes set out in this section.
- (3) Notwithstanding KRS 45.229, any unallocated or unencumbered balances in the fund shall be invested as provided in KRS 42.500(9), and any interest or other income earned from the investments, along with the unallotted or unencumbered balances in the fund, shall not lapse but shall be carried forward for purposes of the fund.

Effective: June 25, 2013

History: Amended 2013 Ky. Acts ch. 134, sec. 10, effective June 25, 2013. -- Created 2001 Ky. Acts ch. 138, sec. 9, effective June 21, 2001.