

SESSION OF 2016

**SUPPLEMENTAL NOTE ON HOUSE SUBSTITUTE FOR
SENATE BILL NO. 106**

As Recommended by House Committee on
Commerce, Labor and Economic Development

Brief*

House Sub. for SB 106 would create the Alternative Crop Research Act (Act) and a pilot program. The Act would allow the Kansas Department of Agriculture (KDA), alone or in coordination with a state educational institution, which would be defined by the bill to be the six Regents' institutions, to cultivate industrial hemp grown from certified seed and promote the research and development of industrial hemp. Research could include:

- Oversight and analysis of soils, growing conditions, and harvest methods;
- Seed availability, creation of hybrid types, in-the-ground variety trials, and seed production;
- Economic feasibility analysis;
- Analysis of estimated value-added benefits, including environment benefits;
- Study of world-wide agronomy research on industrial hemp varieties, production, and utilization; and
- Study of feasibility of attracting federal and private funding for research.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The Secretary of Agriculture would register and certify no more than 12 acres for test sites in the pilot program, with 4 acres located in the western third of Kansas, 4 acres in the Wichita metropolitan area, and 4 acres in northeast Kansas. The Secretary would be authorized to promulgate rules and regulations to carry out the provisions of the Act, in accordance with the purposes of the Federal Agricultural Act of 2014.

The bill also would define key terms related to the Act, including:

- “Certified seed” means industrial hemp seed that has been certified as having no more delta-9 tetrahydrocannabinol (THC) concentration than 0.3 percent on a dry weight basis;
- “Industrial hemp” means all parts and varieties of the plant *cannabis sativa*, cultivated or possessed by a state educational institution or KDA, whether growing or not, that contain a THC concentration no more than 0.3 percent on a dry weight basis; and
- “THC” means the natural or synthetic equivalents of the substances contained in the plant or in the resinous extracts of cannabis or any synthetic substances, compounds, salts, or derivatives of the plant or chemical and their isomers with similar chemical structure and pharmacological activity.

Finally, the bill would amend the state Controlled Substances Act to specify the penalties in that law would not apply to actions authorized by the bill. Language in the bill also would specify that nothing in the Act could be construed to authorize a violation of federal law.

Background

The House Committee on Commerce, Labor and Economic Development held a hearing on HB 2634, a bill authorizing a variation of the Act. The House Committee deleted the contents of SB 106, pertaining to real estate licensure, which was introduced during the 2015 Legislative Session, and inserted the contents of HB 2329, also establishing an Alternative Crop Research Act, which was introduced during the 2015 Legislative Session. The following describes the hearing on HB 2634 and amendments made to the language contained in HB 2329.

At the hearing before the House Committee, Representative Dove, representatives from the Industrial Hemp Research Foundation and Kansas Farmers for Alternative Crop Expansion, and private citizens testified in favor of the bill. The proponents testified federal law had been changed to allow research on industrial hemp by state departments of agriculture and institutions of higher education, but the research is still illegal under Kansas law. The proponents urged that research was needed to see what the potential benefits might be for the state.

There was no opponent testimony.

A representative from KDA provided neutral testimony, explaining the most recent hemp research was conducted in the 1940s and expressing concern HB 2634, as introduced, would allow for the cultivation of industrial hemp, which would be a violation of federal law.

The House Committee amended the bill to:

- Create a pilot program that would be limited to 12 acres across the state; and
- Revise the definitions for “certified seed,” “industrial hemp,” and “THC.”

According to the fiscal note prepared last year by the Division of the Budget, the bill would increase KDA's State General Fund expenditures by \$1,988. These increased expenditures would be for administrative staff time, travel and inspection time, and lab analysis costs associated with the bill.