

January 12, 2018

The Honorable Dan Kerschen, Chairperson
Senate Committee on Agriculture and Natural Resources
Statehouse, Room 225-E
Topeka, Kansas 66612

Dear Senator Kerschen:

SUBJECT: Fiscal Note for SB 263 by Senator Kerschen

In accordance with KSA 75-3715a, the following fiscal note concerning SB 263 is respectfully submitted to your committee.

SB 263 would create the Alternative Crop Research Act which would authorize the Kansas Department of Agriculture (KDA), alone or in coordination with a state educational institution, to promote the research and development of industrial hemp. The bill would give the Secretary of the KDA authority to establish rules and regulations necessary to carry out the provisions of the Act. The bill also amends existing law concerning crimes involving controlled substances to include an exemption for conduct authorized by the Alternative Crop Research Act.

According to the Kansas Bureau of Investigation (KBI), passage of SB 263 would have no immediate or quantifiable fiscal effect on the agency. Because the bill limits cultivation and possession of industrial hemp to state educational institutions or the KDA, it minimizes concerns that a significant number of vegetation samples would have to be forensically analyzed to rebut defense claims in criminal prosecutions that a person possesses industrial hemp rather than marijuana. However, the agency does point out that industrial hemp and marijuana have the same taxonomy, and currently there is no way, scientifically or otherwise, to differentiate between the two or to prove or disprove that a product was cultivated by an entity authorized to do so under this Act. Such determinations would require THC quantitation and/or plant DNA testing, neither of which are capabilities the KBI currently possesses. Depending on the need prosecutors might have for the KBI to conduct forensic analyses to meet probable cause standards for charging criminal cases, there may be a future fiscal effect on the agency. That effect would depend on the volume of forensic analyses requests to scientifically quantitate the amount of THC in industrial hemp and marijuana seizures and/or conduct plant DNA testing.

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The KDA indicates that it would charge \$500 per research license, but is unable to determine how many licenses would be requested or issued. Any fiscal effect associated with SB 263 is not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Justin Law, Agriculture
Shelia Sawyer-Tyler, KBI