

Alternative Crop Research Act; SB 263

SB 263 enacts the Alternative Crop Research Act (Act), which allows the Kansas Department of Agriculture (KDA), either alone or in coordination with a state institution of higher education, to grow and cultivate industrial hemp and promote the research and development of industrial hemp, in accordance with federal law. The bill allows individuals to participate in the research program under the authority of the KDA. Nothing in the Act is to be construed to authorize any person to violate state or federal law.

Research and Development; Pilot Program

Research and development of industrial hemp, under the provisions of the bill, means such things as analysis of industrial hemp growth, including required soils, growing conditions, and harvest methods; research on seeds most suitable for Kansas; and market analysis to determine the potential for an industrial hemp market in Kansas.

The bill authorizes the KDA to establish a pilot program in Russell County, and other counties determined by the KDA, for the purpose of economic development, research, cultivation, market analysis, manufacturing, and transportation of industrial hemp and industrial hemp products.

Advisory Board

If the KDA acts without coordination with a state institution of higher learning to cultivate industrial hemp grown from certified seed and to promote the research and development of industrial hemp, the Secretary of Agriculture (Secretary) is required to establish an advisory board within the KDA to review and recommend applications for pilot projects and research proposals to the Secretary. The Secretary is prohibited from approving any project or proposal without the recommendation of the advisory board.

Licensure and Fees

The KDA is required to annually license program participants and maintain oversight of all industrial hemp activities, including cultivation, growth, research, oversight, study, analysis, transportation, processing, or distribution of certified seed or industrial hemp pursuant to the Act.

In addition, the KDA is authorized to establish fees for licenses, license renewals, and other necessary expenses to defray the cost of implementing and operating the Act in the state on an ongoing basis. Licensing and renewal fees will be established by rules and regulations adopted by the Secretary under the Act.

The KDA will require all license holders to be fingerprinted and undergo a state and national criminal history check at the license holder's expense. The KDA is authorized to submit the fingerprints to the Kansas Bureau of Investigation (KBI), and the KBI is able to charge a reasonable fee for conducting a criminal history record check. The KDA shall not issue licenses to individuals who have been convicted of felonies involving controlled substances.

Fee Fund

The bill creates the Alternative Crop Research Act Licensing Fee Fund (Fund) in the State Treasury, which is to be administered by the Secretary. Moneys received from fees will be deposited in the State Treasury and will be credited to the Fund. All expenditures from the Fund will be made in accordance with appropriation acts upon warrants of the Director of Accounts and Reports issued pursuant to vouchers signed by the Secretary or the Secretary's designee.

Rules and Regulations

The bill requires the KDA to promulgate rules and regulations by December 31, 2018, to carry out the provisions of the Act.

The rules and regulations of the KDA shall include, but not be limited to, a requirement that license holders keep in their possession at all times the license that they are engaged in cultivation, growth, research, oversight, study, analysis, transportation, processing, or distribution of certified seed or industrial hemp pursuant to the Act.

Report

The bill requires the KDA to report to the Senate Committee on Agriculture and Natural Resources and the House Committee on Agriculture by January 14, 2019, on the process by which the KDA will allow program participants to grow and process industrial hemp in Kansas and then sell it outside of Kansas. In addition, the KDA is required to send each committee an annual supplemental report on the continued progress on the process at the beginning of each regular legislative session for the next three years.

Legislative Review

The bill requires the Legislature to review the provisions of the Act prior to July 1, 2022.

Other Provisions

The bill amends KSA 2017 Supp. 21-5701, dealing with criminal law, excluding "industrial hemp" from the definition of "marijuana," when cultivated, possessed, or used for activities authorized by the Act.

The bill also amends KSA 2017 Supp. 65-4101, dealing with controlled substances, clarifying the definition of "marijuana" to exclude "industrial hemp" as defined in the bill, when cultivated, possessed, or used for activities authorized by the Act.

In addition, the bill amends KSA 2017 Supp. 65-4105, dealing with controlled substances included in Schedule I, excluding tetrahydrocannabinols (THC) obtained from industrial hemp as it is defined in the bill, when cultivated, possessed, or used for activities authorized by the Act.