

# MAINE STATE LEGISLATURE

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RES

Date: 5/22/19

(Filing No. H-356)

majority

AGRICULTURE, CONSERVATION AND FORESTRY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
124TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 798, L.D. 1159, Bill, "An Act Relating to Industrial Hemp"

Amend the bill in section 1 by striking out all of §2231 (page 1, lines 5 to 39 and page 2, lines 1 and 2 in L.D.) and inserting the following:

§2231. Industrial hemp

1. Definition. As used in this chapter, unless the context otherwise indicates, "industrial hemp" means any variety of Cannabis sativa L. with a delta-9-tetrahydrocannabinol concentration that does not exceed 0.3% on a dry weight basis and that is grown or possessed by a licensed grower in compliance with this chapter.

2. Growing permitted. Notwithstanding any other provision of law, a person may plant, grow, harvest, possess, process, sell and buy industrial hemp if that person holds a license issued pursuant to subsection 4.

3. Application. A person desiring to grow industrial hemp for commercial purposes shall apply to the commissioner for a license on a form prescribed by the commissioner. The application must include the name and address of the applicant, the legal description of the land area to be used for the production of industrial hemp and a map, an aerial photograph or global positioning coordinates sufficient for locating the production fields. Except for employees of the Maine Agricultural Experiment Station and the University of Maine System involved in research and related activities, an applicant for an initial licensure must submit a set of the applicant's fingerprints, taken by a law enforcement officer, and any other information necessary to complete a statewide and nationwide criminal history record check by the Department of Public Safety, State Bureau of Identification and the Federal Bureau of Investigation. All costs associated with the criminal history record check are the responsibility of the applicant and must be submitted with the fingerprints. Criminal history records provided to the commissioner under this section are confidential. The results of criminal records checks received under this subsection may only be used in determining an applicant's eligibility for licensure. A person with a prior criminal conviction is not eligible for licensure.

COMMITTEE AMENDMENT

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1 4. License issued. Upon review and approval of an application, the commissioner  
2 shall notify the applicant and request that the application fee determined under subsection  
3 7 be submitted. Upon receipt of the appropriate fee and in accordance with subsection 8,  
4 the commissioner shall issue a license, which is valid for a period of one year and only  
5 for the site or sites specified in the license.

6 5. Documentation. A licensee shall file with the commissioner documentation  
7 indicating that the seeds planted were of a type and variety of hemp approved by the  
8 commissioner as having a concentration of no more than 0.3% delta-9-  
9 tetrahydrocannabinol by dry weight and a copy of any contract to grow industrial hemp.  
10 A licensee shall notify the commissioner of the sale or distribution of industrial hemp  
11 grown by the licensee and the name of each person to whom the industrial hemp was sold  
12 or distributed.

13 6. Rules. The commissioner shall adopt rules to establish approved varieties of  
14 industrial hemp, protocols for testing plant parts during growth for delta-9-  
15 tetrahydrocannabinol levels and guidelines for monitoring the growth and harvest of  
16 industrial hemp. Rules adopted pursuant to this subsection are major substantive rules as  
17 defined in Title 5, chapter 375, subchapter 2-A.

18 7. Fees. The commissioner shall establish through rulemaking under subsection 6 an  
19 application fee, a license fee and per acre fees for monitoring, sampling and testing that  
20 are reasonable and necessary to cover the costs of the department.

21 All fees received pursuant to this subsection must be paid to the Treasurer of State and  
22 credited to a separate, nonlapsing account in the department. Money received pursuant to  
23 this subsection must be used for the expenses of administering this chapter.

24 8. Licensing contingent upon action by Federal Government. A license may not  
25 be issued under this section unless:

26 A. The United States Congress excludes industrial hemp from the definition of  
27 "marihuana" for the purpose of the Controlled Substances Act, 21 United States  
28 Code, Section 802(16); or

29 B. The United States Department of Justice, Drug Enforcement Administration takes  
30 affirmative steps towards issuing a permit under 21 United States Code, Chapter 13,  
31 Subchapter 1, Part C to a person holding a license issued by a state to grow industrial  
32 hemp.

33 The commissioner shall notify the Revisor of Statutes and the Commissioner of Public  
34 Safety when the requirements of either paragraph A or B have been met.'

35 **SUMMARY**

36 This amendment is the majority report of the Joint Standing Committee on  
37 Agriculture, Conservation and Forestry. It enacts a definition of "industrial hemp." In  
38 addition to the legal description of the land, as required by the bill, this amendment also  
39 requires a map, an aerial photograph or global positioning coordinates sufficient for  
40 locating the land area to be used for industrial hemp. It clarifies elements of rules  
41 necessary to implement the licensing of industrial hemp growers. It directs the  
42 Commissioner of Agriculture, Food and Rural Resources to establish application fees and

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1 per acre monitoring fees that are reasonable and necessary to cover the cost of  
2 implementing the licensing and monitoring of industrial hemp production.

3 This amendment specifies that the commissioner may not issue a license to grow  
4 industrial hemp unless the definition of "marihuana" in the federal Controlled Substances  
5 Act is amended to exclude industrial hemp or the United States Department of Justice,  
6 Drug Enforcement Agency acts positively on a permit application for the growing of  
7 industrial hemp.

**FISCAL NOTE REQUIRED**  
(See attached)

**COMMITTEE AMENDMENT**



# 124th MAINE LEGISLATURE

LD 1159

LR 631(02)

## An Act Relating to Industrial Hemp

**Fiscal Note for Bill as Amended by Committee Amendment "A"**  
**Committee: Agriculture, Conservation and Forestry**  
**Fiscal Note Required: Yes**

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### Fiscal Note

Current biennium cost increase - Other Special Revenue Funds  
Current biennium revenue increase - Other Special Revenue Funds  
Minor savings - General Fund  
Minor revenue decrease - General Fund

### Correctional and Judicial Impact Statements

Decreases the number of Class D and Class E crimes; decreases correctional and judicial costs.  
A reduction in fines will decrease General Fund revenue by minor amounts.

### Fiscal Detail and Notes

Additional costs to the Department of Agriculture, Food and Rural Resources to conduct rulemaking and establish this program can be absorbed within existing budgeted resources. The bill allows for the collection of an application fee, a license fee and per acre fees for monitoring, sampling and testing that are reasonable and necessary to cover the costs of the Department. Increased revenues cannot be reasonably determined as it is not known how many applicants there may be, nor how many acres may be involved. Before the full impact of this legislation can be realized, there would need to be further efforts at the Federal level to legalize commercially grown hemp. If that happens, the Department would incur annual costs of \$51,570 for one half-time Certified Seed Specialist and related administrative costs to conduct testing and supervise the growth and harvest of industrial hemp. It is expected, based upon the language in the bill, that these costs would be fully covered by applicant fees.