

MAINE STATE LEGISLATURE

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SME
R. 069.

L.D. 4

Date:

4/6/15

(Filing No. H- 41)

AGRICULTURE, CONSERVATION AND FORESTRY

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STATE OF MAINE HOUSE OF REPRESENTATIVES 127TH LEGISLATURE FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 7, L.D. 4, Bill, "An Act To Promote Industrial Hemp"

Amend the bill by inserting after the title and before the enacting clause the following:

'Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, farmers need adequate time to prepare for their upcoming growing seasons and industrial hemp cultivation involves numerous time-sensitive planning considerations; and

Whereas, cultivation of industrial hemp may provide a valuable economic opportunity for farmers that begin cultivating as soon as possible; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,'

Amend the bill in section 1 in §2231 in subsection 1 in the last line (page 1, line 7 in L.D.) by inserting after the following: "chapter." the following: 'As used in this chapter, unless the context otherwise indicates, "certified seed source" means a source of hemp seeds that are certified by a 3rd party as producing hemp having a delta-9-tetrahydrocannabinol concentration that does not exceed 0.3% on a dry weight basis.'

Amend the bill in section 1 in §2231 in subsection 2 in the 4th and 5th lines (page 1, lines 11 and 12 in L.D.) by striking out the following: "an approved Canadian producer of hemp seeds" and inserting the following: 'a certified seed source'

Amend the bill in section 1 in §2231 in subsection 2 in the 6th line (page 1, line 13 in L.D.) by striking out the following: "producer in Canada" and inserting the following: 'certified seed source'

Amend the bill in section 1 in §2231 in subsection 2-A in the 2nd to 5th lines (page 1, lines 16 to 19 in L.D.) by striking out the following: "an approved Canadian producer of hemp seeds that ensures that the hemp cultivated by a grower has a concentration of no more than 0.3% delta-9-tetrahydrocannabinol by dry weight." and inserting the following: 'a certified seed source.'

Amend the bill in section 1 in §2231 in subsection 6 in the 3rd line (page 2, line 10 in L.D.) by inserting after the following: "a license fee" the following: ', per acre fees for monitoring, sampling and testing'

Amend the bill in section 1 in §2231 in subsection 6 in the last line (page 2, line 12 in L.D.) by striking out the following: "major substantive" and inserting the following: 'major substantive routine technical'

Amend the bill in section 1 in §2231 by striking out all of subsection 7 (page 2, lines 13 to 18 in L.D.) and inserting the following:

'7. Fees. The commissioner shall establish through rulemaking under subsection 6 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. The application fee must be no less than \$50 and no more than \$100, the license fee must be no less than \$100 and no more than \$500, and the fees for monitoring, sampling and testing must be no less than \$1 per acre and no more than \$100 per acre.

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

Amend the bill by striking out all of section 2 and inserting the following.

'Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

AGRICULTURE, CONSERVATION AND FORESTRY, DEPARTMENT OF

Division of Plant Industry 0831

Initiative: Provides funding to adopt routine technical rules establishing an application fee, a license fee, a per acre fee for monitoring, sampling and testing and guidelines for monitoring the growth and harvest of industrial hemp.

OTHER SPECIAL REVENUE FUNDS

All Other

2015-16

\$2,500

2016-17

\$0

OTHER SPECIAL REVENUE FUNDS TOTAL

\$2,500

\$0

Division of Plant Industry 0831

Initiative: Provides funding for one half-time Certified Seed Specialist position and related costs to conduct testing, inspection and monitoring related to the production of industrial hemp.

1	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
2	POSITIONS - LEGISLATIVE COUNT	0.500	0.500
3	Personal Services	\$30,032	\$30,032
4	All Other	\$8,197	\$7,911
5			
6	OTHER SPECIAL REVENUE FUNDS TOTAL	\$38,229	\$37,943

7 **Office of the Commissioner 0401**

8 Initiative: Provides funds for the Department of Administrative and Financial Services,
9 Office of Information Technology costs associated with the Certified Seed Specialist
10 position.

11	OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
12	All Other	\$1,968	\$1,968
13			
14	OTHER SPECIAL REVENUE FUNDS TOTAL	\$1,968	\$1,968

15	AGRICULTURE, CONSERVATION AND		
16	FORESTRY, DEPARTMENT OF		
17	DEPARTMENT TOTALS	2015-16	2016-17
18			
19	OTHER SPECIAL REVENUE FUNDS	\$42,697	\$39,911
20			
21	DEPARTMENT TOTAL - ALL FUNDS	\$42,697	\$39,911
22			

23 Amend the bill by adding before the summary the following:

24 **'Emergency clause.** In view of the emergency cited in the preamble, this
25 legislation takes effect when approved.'

26 **SUMMARY**

27 This amendment adds an emergency preamble and emergency clause to the bill.

28 This amendment provides that hemp seeds acquired for cultivation of hemp in the
29 State may come from any certified seed source rather than only approved Canadian
30 producers of hemp seeds.

31 This amendment provides that rules adopted by the Department of Agriculture,
32 Conservation and Forestry pursuant to the Maine Revised Statutes, Title 7, section 2231
33 are routine technical rules.

34 This amendment includes the addition of per acre fees for monitoring, sampling and
35 testing and establishes a range and cap for all fees established by the Commissioner of
36 Agriculture, Conservation and Forestry related to industrial hemp production.

37

- 1 This amendment replaces the appropriations and allocations section.
- 2 **FISCAL NOTE REQUIRED**
- 3 (See attached)

**127th MAINE LEGISLATURE****LD 4****LR 136(02)****An Act To Promote Industrial Hemp****Fiscal Note for Bill as Amended by Committee Amendment***A(H-41)***Committee: Agriculture, Conservation and Forestry****Fiscal Note Required: Yes**

Fiscal Note

	FY 2015-16	FY 2016-17	Projections FY 2017-18	Projections FY 2018-19
Appropriations/Allocations				
Other Special Revenue Funds	\$42,697	\$39,911	\$39,911	\$39,911
Revenue				
Other Special Revenue Funds	\$42,697	\$39,911	\$39,911	\$39,911
Transfers				
Other Special Revenue Funds	\$0	\$0	\$0	\$0

Fiscal Detail and Notes

This legislation repeals the provision of law that licensure of industrial hemp is contingent upon action by the Federal Government. The bill includes an Other Special Revenue Funds allocation of \$42,697 in fiscal year 2015-16 and \$39,911 in fiscal year 2016-17 to the Department of Agriculture, Conservation and Forestry (DACF) for one half-time Certified Seed Specialist position and related costs to conduct testing, inspection and monitoring, as well as rulemaking costs to establish fees. Applicants will pay an application fee between \$50 and \$100, a license fee between \$100 and \$500 and a fee for monitoring, sampling and testing between \$1 per acre and \$100 per acre.

This fiscal note assumes that there will be an adequate amount of revenue to cover the costs of the Other Special Revenue Funds allocations. DACF will not be able to cover these costs if there are not a sufficient number of fee-paying applicants.