

**CS FOR HOUSE BILL NO. 172(JUD)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

**BY THE HOUSE JUDICIARY COMMITTEE**

**Offered: 4/5/17**

**Referred: Finance**

**Sponsor(s): REPRESENTATIVES DRUMMOND, Kawasaki, Eastman, Tarr, Westlake, Parish, Josephson, Kopp, Rauscher**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the regulation and production of industrial hemp; relating to**  
2 **industrial hemp pilot programs; providing that industrial hemp is not included in the**  
3 **definition of 'marijuana'; and clarifying that adding industrial hemp to food does not**  
4 **create an adulterated food product."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 \* **Section 1.** AS 03.05 is amended by adding new sections to read:

7 **Sec. 03.05.078. Industrial hemp.** (a) Industrial hemp is an agricultural crop in  
8 the state.

9 (b) An individual registered under this section may produce industrial hemp,  
10 including growing, harvesting, possessing, transporting, processing, selling, or buying  
11 industrial hemp.

12 (c) An individual who produces industrial hemp shall apply to the department  
13 for registration on a form prescribed by the department that includes

14 (1) the name and address of the applicant;

1 (2) the address and global positioning system coordinates of the area to  
2 be used for the production of industrial hemp.

3 (d) Registration under this section is valid for one year. The department may  
4 not limit the number of registrants. A registrant may renew registration in the form and  
5 manner prescribed by the department.

6 (e) The department shall establish fee levels for application, registration, and  
7 renewal of registration so that the total amount of fees collected under this section  
8 approximately equals the regulatory costs for regulating the industrial hemp industry.  
9 The department shall annually review each fee level to determine whether the  
10 regulatory cost of industrial hemp is approximately equal to the fees collected.

11 (f) The department may issue a stop-sale order or issue a violation notice to a  
12 person who is producing industrial hemp without a current registration.

13 (g) A registrant may use any propagation method, including planting seeds or  
14 starts or using clones or cuttings to produce industrial hemp.

15 (h) The department, a registrant, or any institution of higher education may  
16 import into the state and resell industrial hemp seeds.

17 (i) A registrant may retain industrial hemp seeds for the purpose of  
18 propagating industrial hemp in future years.

19 (j) A registrant may retain and recondition any industrial hemp that tests  
20 between 0.3 percent and one percent delta-9 tetrahydrocannabinol on a dry-weight  
21 basis. Industrial hemp products intended for human consumption may not exceed 0.3  
22 percent delta-9 tetrahydrocannabinol.

23 (k) The department may adopt regulations regarding approved shipping  
24 documentation for the transportation of industrial hemp.

25 (l) A registrant shall maintain for at least three years following the sale or  
26 transfer of industrial hemp records showing

27 (1) the name and address of the person that received the industrial  
28 hemp;

29 (2) the amount of industrial hemp transferred.

30 (m) A registrant shall make the records required under (l) of this section  
31 available for inspection by the department during normal business hours. The

1 department shall provide at least three days' notice before inspecting the records.

2 **Sec. 03.05.079. Industrial hemp pilot program.** (a) The department or an  
3 institution of higher education in the state may create and administer an agricultural  
4 pilot program to study the growth, cultivation, or marketing of industrial hemp.

5 (b) An institution of higher education in the state, the division of the  
6 department with responsibility for agriculture, or a person registered under  
7 AS 03.05.078 may participate in an agricultural pilot program created under (a) of this  
8 section or engage in industrial hemp research.

9 (c) The department may adopt regulations to implement this section.

10 \* **Sec. 2.** AS 03.05.100 is amended by adding a new paragraph to read:

11 (5) "industrial hemp" means all parts and varieties of the plant  
12 Cannabis sativa L. containing not more than 0.3 percent delta-9 tetrahydrocannabinol.

13 \* **Sec. 3.** AS 11.71.900(14) is amended to read:

14 (14) "marijuana" means the seeds, and leaves, buds, and flowers of the  
15 plant (genus) Cannabis, whether growing or not; it does not include the resin or oil  
16 extracted from any part of the plants, or any compound, manufacture, salt, derivative,  
17 mixture, or preparation from the resin or oil, including hashish, hashish oil, and natural  
18 or synthetic tetrahydrocannabinol; it does not include the stalks of the plant, fiber  
19 produced from the stalks, oil or cake made from the seeds of the plant, any other  
20 compound, manufacture, salt, derivative, mixture, or preparation of the stalks, fiber,  
21 oil or cake, or the sterilized seed of the plant which is incapable of germination; **it**  
22 **does not include industrial hemp as defined in AS 03.05.100;**

23 \* **Sec. 4.** AS 17.20.020 is amended by adding a new subsection to read:

24 (e) Food is not adulterated under this section solely because it contains  
25 industrial hemp, as defined in AS 03.05.100, or an industrial hemp product.

26 \* **Sec. 5.** AS 17.38.900(10) is amended to read:

27 (10) "marijuana" means all parts of the plant of the genus cannabis  
28 whether growing or not, the seeds thereof, the resin extracted from any part of the  
29 plant, and every compound, manufacture, salt, derivative, mixture, or preparation of  
30 the plant, its seeds, or its resin, including marijuana concentrate; "marijuana" does not  
31 include fiber produced from the stalks, oil, or cake made from the seeds of the plant,

1 sterilized seed of the plant which is incapable of germination, [OR] the weight of any  
2 other ingredient combined with marijuana to prepare topical or oral administrations,  
3 food, drink, or other products, **or industrial hemp as defined in AS 03.05.100**;