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CS FOR SENATE BILL NO. 27(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE RESOURCES COMMITTEE**Offered: 4/9/21****Referred: Finance****Sponsor(s): SENATORS HUGHES, Kawasaki, Revak, Kiehl, Gray-Jackson, Holland, Stevens****REPRESENTATIVES Schrage, Thompson, Nelson, Drummond, Hannan, Tarr, Josephson, Wool, Story, Rauscher****A BILL****FOR AN ACT ENTITLED**1 **"An Act relating to industrial hemp; and providing for an effective date."**2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**3 *** Section 1.** AS 03.05.010(a) is amended to read:

4 (a) The commissioner of natural resources shall

5 (1) direct, administer, and supervise promotional and experimental
6 work, extension services, and agricultural projects for the purpose of promoting and
7 developing commercial and noncommercial agricultural industry in the state,
8 including horticulture, dairying, cattle raising, fur farming, grain production, vegetable
9 production, and agricultural products;10 (2) procure and preserve all information pertaining to developing the
11 agricultural industry in the state and disseminate that information to the public;12 (3) assist prospective settlers and others to engage in the agricultural
13 industry in the state by providing information about activities and programs essential
14 to developing the agricultural industry and areas in the state that are suitable for
15 agriculture;

1 (4) review the marketing, financing, transportation, and development
2 of agricultural products in the state, with special emphasis on local production, and
3 negotiate for the marketing of agricultural products of the state with federal and state
4 agencies operating in the state;

5 (5) regulate and control the entry in the state and the transportation,
6 sale, or use in the state of plants, seeds, vegetables, shell eggs, fruits and berries,
7 nursery stock, animal feeds, remedies and mineral supplements, fertilizers, and
8 agricultural chemicals to prevent the spread of pests, diseases, or toxic substances
9 injurious to the public interest and protect the agricultural industry against fraud,
10 deception, and misrepresentation; for purposes of this paragraph, the commissioner
11 may require registration, inspection, and testing [,] and may establish procedures and
12 fees;

13 (6) regulate the farming of elk in a manner similar to the manner in
14 which the commissioner regulates domestic animals and livestock, to the extent that is
15 appropriate;

16 (7) adopt regulations relating to industrial hemp, including regulations
17 that

18 (A) specify approved sources or varieties of hemp seed to be
19 grown, sold, or offered for sale by an individual registered to produce
20 industrial hemp;

21 (B) require testing, paid for by the registrant, for delta-9-
22 tetrahydrocannabinol concentration following harvest of the industrial hemp;

23 (C) provide for general production practices to avoid the
24 unintended distribution of industrial hemp seeds by registrants into
25 nonagricultural land;

26 (D) establish isolation distances for the production of industrial
27 hemp; in this subparagraph, "isolation distance" means the minimum
28 separation required between two or more varieties of the plant (genus)
29 Cannabis for the purpose of keeping the seed pure;

30 **(E) permit manufacturing and retail sale of industrial hemp**
31 **and products made from industrial hemp;**

1 (F) establish a registration and renewal procedure for a
 2 participant in the industrial hemp program developed under
 3 AS 03.05.076;

4 (8) submit a list of individuals registered to produce industrial hemp
 5 under AS 03.05.076 and the expiration dates of the registrations to the Marijuana
 6 Control Board and the Department of Public Safety;

7 (9) regulate the labeling of seed that does not comply with the
 8 requirements of AS 03.20.130.

9 * **Sec. 2.** AS 03.05.010(c) is amended to read:

10 (c) The commissioner of natural resources shall notify the Marijuana
 11 Control Board and the Department of Public Safety when the commissioner
 12 issues a stop order. The commissioner of natural resources

13 (1) shall issue a stop order to a [ANY] person

14 (A) not registered under AS 03.05.076 who is found to be
 15 producing a plant [PRODUCT] with delta-9-tetrahydrocannabinol; or

16 (B) registered under AS 03.05.076 who is found to be
 17 producing a plant with delta-9-tetrahydrocannabinol over one percent;
 18 and

19 (2) may issue a stop order to a person registered under
 20 AS 03.05.076 who is found to be producing a plant with delta-9-
 21 tetrahydrocannabinol between 0.3 percent and one percent [OVER 0.3
 22 PERCENT, REGARDLESS OF WHETHER THE PERSON IS REGISTERED
 23 UNDER AS 03.05.076. THE COMMISSIONER OF NATURAL RESOURCES
 24 SHALL NOTIFY THE MARIJUANA CONTROL BOARD AND THE
 25 DEPARTMENT OF PUBLIC SAFETY WHEN THE COMMISSIONER ISSUES A
 26 STOP ORDER].

27 * **Sec. 3.** AS 03.05.076(a) is amended to read:

28 (a) Industrial hemp is an agricultural crop in the state. An individual who
 29 produces industrial hemp shall apply to the department for registration under this
 30 section. Registration is valid for one year but may be renewed. An application for
 31 registration or renewal must be on a form prescribed by the department that includes

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

(3) a signed statement by the applicant, made under the penalty of perjury, affirming that the applicant

(A) has not been convicted of a felony related to a controlled substance in this or another jurisdiction within the 10 years immediately preceding the date of application; or

(B) was lawfully growing hemp before December 20, 2018, and was not convicted of a felony related to a controlled substance in this or another jurisdiction after that date.

* **Sec. 4.** AS 03.05.076(e) is amended to read:

(e) The department [MAY]

(1) **shall** issue a stop-sale order and issue a violation notice to a person who is producing industrial hemp without a current registration;

(2) **may** adopt regulations regarding approved shipping documentation for the transportation of industrial hemp;

(3) **may** conduct random tests and inspections of industrial hemp for delta- 9-tetrahydrocannabinol concentration produced by an individual registered under this section.

* **Sec. 5.** AS 03.05.076 is amended by adding a new subsection to read:

(i) The department may develop an industrial hemp program that complies with federal requirements and submit a program plan to the United States Department of Agriculture for approval.

* **Sec. 6.** AS 03.05.079 is amended to read:

Sec. 03.05.079. Production in violation of delta-9-tetrahydrocannabinol limit. Notwithstanding AS 11.71.040 - 11.71.060, an individual registered under AS 03.05.076 to produce industrial hemp whose product has a delta-9-tetrahydrocannabinol content between 0.3 percent and one percent **may retain and recondition the product as provided in AS 03.05.076(b)(4)** [IS GUILTY OF A VIOLATION].

1 * **Sec. 7.** AS 03.05.079 is amended by adding a new subsection to read:

2 (b) An individual who retains but fails to recondition an industrial hemp
3 product described in (a) of this section is guilty of a violation.

4 * **Sec. 8.** AS 03.05.100(5) is amended to read:

5 (5) "industrial hemp" means [ALL PARTS AND VARIETIES OF] the
6 plant Cannabis sativa L. **and any part of that plant, including its seeds and all**
7 **derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers,**
8 **whether growing or not, with a delta-9-tetrahydrocannabinol concentration of**
9 [CONTAINING] not more than 0.3 percent **on a dry weight basis** [DELTA-9-
10 TETRAHYDROCANNABINOL].

11 * **Sec. 9.** AS 03.05.077 is repealed.

12 * **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to
13 read:

14 **CONDITIONAL EFFECT; NOTIFICATION TO REVISOR OF STATUTES.** (a)
15 Section 9 of this Act takes effect only if the United States Department of Agriculture approves
16 an industrial hemp program plan submitted by the Department of Natural Resources under
17 AS 03.05.076(i) before January 1, 2030.

18 (b) If the United States Department of Agriculture approves an industrial hemp
19 program submitted under AS 03.05.076(i), the commissioner of natural resources shall notify
20 the revisor of statutes not later than 30 days after receiving notice of the approval.

21 * **Sec. 11.** If, under sec. 10(a) of this Act, sec. 9 of this Act takes effect, it takes effect on the
22 day after the date on which the revisor of statutes receives notice from the commissioner of
23 natural resources under sec. 10(b) of this Act.