

HOUSE BILL NO. HB0171

Hemp and cannabidiol regulation.

Sponsored by: Representative(s) Loucks, Barlow, Blackburn, Blake, Burkhart, Clem, Eklund, Eyre, Flitner, Freeman, Greear, Hunt, Laursen, Lindholm, Miller, Northrup and Pelkey and Senator(s) Anderson, Case, Coe, Driskill, Kost, Rothfuss and Von Flatern

A BILL

for

1 AN ACT relating to food and drugs; amending substances
2 regulated by the controlled substances act; providing for
3 hemp production and hemp processing; providing rulemaking
4 authority; providing a penalty; authorizing the use and
5 possession of hemp and hemp products; providing an
6 affirmative defense; repealing conflicting provisions;
7 requiring the department to submit a state plan for the
8 regulation of hemp; providing an appropriation; requiring a
9 report; and providing for an effective date.

10

11 *Be It Enacted by the Legislature of the State of Wyoming:*

12

1 **Section 1.** W.S. 11-51-101 through 11-51-107 are created
2 to read:

3

4

CHAPTER 51

5

HEMP PRODUCTION

6

7

11-51-101. Definitions.

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9

(a) As used in this article:

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(i) "Corrective action plan" means a plan the department develops in consultation with a licensee to correct any violation of this article;

(ii) "Disposal" means activities to alter or treat hemp or hemp products that contain an amount of THC in excess of the amount authorized in this article to ensure that the THC is reduced to bring the hemp or hemp product into compliance with this article or, if compliance is not attainable, that the THC is rendered inaccessible;

(iii) "Hemp" or "hemp product" means all parts, seeds and varieties of the plant *cannabis sativa* L., whether

1 growing or not, or a product, derivative, extract,
2 cannabinoid, isomer, acid, salt or salt of isomer made from
3 that plant with a THC concentration of not more than three-
4 tenths of one percent (0.3%) on a dry weight basis when using
5 post-decarboxylation or another similarly reliable testing
6 method;

7

8 (iv) "Licensee" means a person licensed under this
9 article to produce, process or test hemp;

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11 (v) "Produce" means all acts necessary to produce
12 and market hemp including, without limitation, planting,
13 cultivating, harvesting, cloning, producing seeds, handling,
14 transporting and selling;

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16 (vi) "Process" means converting hemp into another
17 product that contains no more than three-tenths of one percent
18 (0.3%) THC on a dry weight basis when using
19 post-decarboxylation or another similarly reliable testing
20 method;

21

1 (vii) "THC" means tetrahydrocannabinol, the
2 psychoactive component of the cannabis plant, with the
3 scientific name trans-delta 9-tetrahydrocannabinol.

4

5 **11-51-102. Hemp as agricultural crop; use of hemp.**

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7 (a) Hemp is an agricultural crop in this state. Upon
8 meeting the requirements of this article, a person may produce
9 or process hemp.

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11 (b) Notwithstanding the requirements of this article,
12 the possession, purchase, transportation and use of hemp and
13 hemp products by any person is allowable without restriction.

14

15 **11-51-103. Licensing.**

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17 (a) No person shall produce or process hemp unless the
18 person has obtained a license from the department on a form
19 provided by the department.

20

21 (b) The application for a license under this section
22 shall include:

23

1 (i) The name and address of the applicant;

2

3 (ii) The physical address and legal description of
4 all land and property where the production or processing will
5 occur;

6

7 (iii) A statement that the applicant has not been
8 convicted of or pled nolo contendere to a controlled substance
9 felony, or in the event the applicant is not an individual,
10 a statement that no member, principal, officer or director of
11 the applicant has been convicted of or pled nolo contendere to
12 a controlled substance felony; and

13

14 (iv) Authorization for reasonable access by the
15 department for random inspections related to production or
16 processing activities.

17

18 (c) The department shall issue a license, or renewal
19 thereof, which is valid for one (1) year if:

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21 (i) The requirements of subsection (b) of this
22 section are met including that the applicant has not been

1 convicted of or pled nolo contendere to a controlled substance
2 felony; and

3

4 (ii) Five hundred dollars (\$500.00) is received
5 for each annual license or renewal application.

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7 (d) Licenses under this section may authorize producing
8 hemp and processing hemp products at more than one (1)
9 location for the same licensee.

10

11 (e) Any person possessing hemp or hemp products only
12 for the purpose of testing THC levels may, but shall not be
13 required to, obtain a license under this article.

14

15 **11-51-104. Enforcement; penalties.**

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17 (a) The department shall perform annual inspections of
18 a random sample of licensees to determine compliance with
19 this article. Except as provided in subsection (b) of this
20 section, no licensee shall be subject to more than one (1)
21 inspection per year.

22

1 (b) Any licensee who violates any provision of this
2 article or any regulation promulgated pursuant to this
3 article shall be subject to a corrective action plan. The
4 corrective action plan may include reporting requirements,
5 additional inspections, suspension of a license, steps
6 necessary to restore a license, or requirements related to
7 disposal of hemp or hemp products that contain in excess of
8 three-tenths of one percent (0.3%) THC on a dry weight basis.
9 The plan may require rendering THC inaccessible by using hemp
10 or hemp products as a livestock feedstuff, as a soil amendment
11 material or by destruction of the hemp or hemp product.

12

13 (c) Any person who intentionally violates this article
14 is guilty of a misdemeanor punishable by a fine of not more
15 than seven hundred fifty dollars (\$750.00), imprisonment for
16 not more than six (6) months, or both.

17

18 (d) If any person has three (3) or more violations of
19 this article or any regulation promulgated pursuant to this
20 article within five (5) years, the department shall revoke
21 the license and the person shall be ineligible for licensure
22 under this article for five (5) years.

23

1 **11-51-105. Rules and agreements.**

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3 (a) The department shall adopt rules necessary to
4 implement the provisions of this article.

5

6 (b) The department may enter into agreements with
7 tribal governments related to hemp production and the
8 processing of hemp products.

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10 **11-51-106. Disposition of fees.**

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12 All fees collected under this article shall be deposited with
13 the state treasurer in a separate account which is
14 continuously appropriated to the department for the
15 administration of this article.

16

17 **11-51-107. Exception if this article is not**
18 **implemented.**

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20 Nothing in this article shall preclude any person from
21 applying for and receiving authorization to produce and
22 process hemp from another authorized entity if the department

1 does not receive authority to do so or is otherwise not
2 implementing this article.

3

4 **Section 2.** W.S. 35-7-1063(a)(i), (iii) and by creating
5 new subsections (b) and (c) is amended to read:

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7 **35-7-1063. Exceptions to provisions.**

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9 (a) The provisions and penalties of this chapter shall
10 not apply to:

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12 (i) The ~~medical possession or~~ use of hemp ~~extract~~
13 ~~when used in accordance with the provisions of W.S. 35-7-1901~~
14 ~~through 35-7-1903 or hemp products for any purpose or~~
15 ~~application;~~

16

17 (iii) ~~Industrial~~ ~~Hemp~~ ~~farming~~ ~~production,~~
18 ~~processing or testing~~ in accordance with the provisions of
19 ~~W.S. 35-7-2101 through 35-7-2109, or industrial hemp grown~~
20 ~~for research purposes by the university or the department of~~
21 ~~agriculture~~ ~~W.S. 11-51-101 through 11-51-107.~~

22

1 (b) It is an affirmative defense to a prosecution by
2 the state of Wyoming related to the possession or cultivation
3 of marihuana that the defendant reasonably relied on the label
4 or other packaging which indicated that the alleged marihuana
5 was hemp or a hemp product containing not more than the amount
6 of tetrahydrocannabinol specified under subsection (c) of
7 this section.

8
9 (c) As used in this section "hemp" or "hemp product"
10 means all parts, seeds and varieties of the plant cannabis
11 sativa l. or a product made from that plant with a trans-delta
12 9-tetrahydrocannabinol (THC) concentration of not more than
13 three-tenths of one percent (0.3%) on a dry weight basis.

14
15 **Section 3.** W.S. 35-7-1901 through 35-7-1903 and
16 35-7-2101 through 35-7-2109 are repealed.

17
18 **Section 4.**

19
20 (a) Not later than thirty (30) days after the effective
21 date of this act, the department of agriculture shall submit
22 a state plan to the United States secretary of agriculture
23 for primary regulatory authority of hemp in Wyoming as

1 provided in the Agriculture Improvement Act of 2018, Section
2 10113.

3

4 (b) The department of agriculture shall receive and
5 process license applications for the production and
6 processing of hemp as provided in W.S. 11-51-103, created
7 under section 1 of this act, immediately upon approval of the
8 state plan submitted under subsection (a) of this section.

9

10 (c) There is appropriated one hundred twenty-thousand
11 dollars (\$120,000.00) from the general fund to the department
12 of agriculture. This appropriation shall be for the period
13 beginning with the effective date of this act and ending June
14 30, 2020. This appropriation shall only be expended for the
15 purpose of employing up to one (1) additional full-time
16 employee within the department of agriculture for the
17 administration of this act. Notwithstanding any other
18 provision of law, this appropriation shall not be transferred
19 or expended for any other purpose and any unexpended,
20 unobligated funds remaining from this appropriation shall
21 revert as provided by law on June 30, 2020. The additional
22 position authorized under this subsection shall be included

1 in the department's 2021-2022 standard biennial budget
2 request.

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4 (d) The department of agriculture shall provide a
5 report to the joint agriculture, public lands and water
6 resources interim committee and the joint appropriations
7 committee on the production and processing of hemp as provided
8 in this act. The report required under this subsection shall
9 be provided on October 1 of each year beginning in 2019 and
10 ending after the report is submitted in 2021.

11

12 **Section 5.** This act is effective immediately upon
13 completion of all acts necessary for a bill to become law as
14 provided by Article 4, Section 8 of the Wyoming Constitution.

15

16

(END)