

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1472

(Delegate Fraser-Hidalgo, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

Agriculture - Industrial Hemp - Study

This bill requires a specified study to be undertaken by the Secretary of Agriculture on the potential for production and marketing of industrial hemp and hemp products in the State, with a report on the results of the study due by December 1, 2014.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: The study can be handled with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The Secretary of Agriculture, in consultation with appropriate federal and State agencies and the University of Maryland, College Park, must study (1) the feasibility of growing industrial hemp in the State and (2) the availability and extent of a commercial and industrial market for industrial hemp grown in the State and hemp products manufactured in the State. “Industrial hemp” is defined as the plant *Cannabis sativa L.* and any part of such plant, whether growing or not, with a delta-9-tetrahydrocannabinol (THC) concentration that does not exceed 0.3% on a dry weight basis. “Hemp product” is defined as a product generated from the plant materials of industrial hemp and includes cloth, cordage, fiber, food, fuel, oil, paint, paper, particle board, plastics, and seed for consumption or cultivation.

The Secretary of Agriculture must report to the Governor and the General Assembly, by December 1, 2014, on the results of the study, including:

- strategies for the safe cultivation and use of industrial hemp in the State;
- the status of industrial hemp programs in other states;
- the level and nature of interest in growing industrial hemp in the State;
- recommendations regarding the most appropriate funding mechanism for an industrial hemp pilot project;
- recommendations regarding licensing and testing requirements for growing, handling, transporting, processing, and marketing of industrial hemp; and
- recommendations regarding an industrial hemp pilot project that best meets the needs of the State.

Current Law: Under the Maryland Controlled Dangerous Substances Act (MCDSA) and the federal Controlled Substances Act (CSA), marijuana and THC are controlled dangerous substances (“controlled substances,” under CSA). Under MCDSA, similar to the federal definition under CSA, “marijuana” is defined as (1) all parts of any plant of the genus *Cannabis*, whether or not the plant is growing; (2) the seeds of the plant; (3) the resin extracted from the plant; and (4) each compound, manufactured product, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin. “Marijuana,” however, does not include (1) the mature stalks of the plant; (2) fiber produced from the mature stalks; (3) oil or cake made from the seeds of the plant; (4) except for resin, any other compound, manufactured product, salt, derivative, mixture, or preparation of the mature stalks, fiber, oil, or cake; or (5) the sterilized seed of the plant that is incapable of germination.

Under MCDSA, a person must be registered by the Department of Health and Mental Hygiene (DHMH) in order to manufacture, distribute, or dispense a controlled dangerous substance in the State. The department may waive the registration requirement by regulation based on a finding that a waiver is consistent with public health and safety. DHMH must register an applicant unless the department determines that the issuance of the registration is inconsistent with the public interest, based on specified considerations, including maintenance of effective controls against diversion of controlled dangerous substances into other than legitimate medical, scientific, or industrial channels. Registration with the U.S. Drug Enforcement Administration (DEA) is required under CSA and DEA regulations.

Background: The National Conference of State Legislatures (NCSL) indicates that nine states have laws to promote the growth and marketing of industrial hemp (California, Colorado, Kentucky, Maine, Montana, North Dakota, Oregon, Vermont, and West Virginia). According to NCSL, industrial hemp refers to *Cannabis* plants that

contain low levels of the psychoactive chemical THC and can be used to make products including textiles, plastics, fuel, and food.

The recently enacted federal Farm Bill (H.R. 2642, 113th Congress – Agricultural Act of 2014) allows an institution of higher education or a state department of agriculture to grow or cultivate industrial hemp notwithstanding CSA and other federal laws. The growing or cultivation must be for purposes of research, including studying the growth, cultivation, or marketing of industrial hemp, and may only be conducted if growing or cultivation of industrial hemp is allowed under the laws of the applicable state. “Industrial hemp” is defined as the plant *Cannabis sativa L.* and any part of such plant, whether growing or not, with a delta-9 THC concentration of not more than 0.3% on a dry weight basis.

In Maryland, Chapter 681 of 2000 established a pilot program to study the growth and marketing of industrial hemp in the State. The Maryland Department of Agriculture was charged with administering the program, in consultation with DEA and the Department of State Police. The program included a requirement that an individual register with DEA under the CSA registration requirement to manufacture a controlled substance. However, that hurdle was never cleared and the program was not fully implemented. Chapter 681 terminated December 31, 2004.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Agriculture, Department of State Police, National Conference of State Legislatures, Department of Legislative Services

Fiscal Note History: First Reader - March 12, 2014
ncs/lgc Revised - House Third Reader - April 3, 2014

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