



2013 ASSEMBLY BILL 638

January 21, 2014 - Introduced by Representatives VRUWINK, C. TAYLOR, SARGENT, MILROY, BEWLEY, GOYKE, HULSEY, HEBL, WRIGHT, KAHL, OHNSTAD and SHANKLAND, cosponsored by Senators VINEHOUT and SCHULTZ. Referred to Committee on Consumer Protection.

1 **AN ACT to renumber and amend** 961.55 (8); and **to create** 20.115 (7) (gc), 94.55,
2 961.32 (3) and 961.55 (8) (b) of the statutes; **relating to:** growing and
3 processing industrial hemp, granting rule-making authority, and making an
4 appropriation.

Analysis by the Legislative Reference Bureau

Current law places various restrictions on the possession, manufacture, and delivery of controlled substances. One such controlled substance is tetrahydrocannabinol (THC), including THC contained in or obtained from marijuana. The controlled substances law defines marijuana as all parts of plants of the genus *Cannabis*, whether growing or not, and most derivatives or preparations of the plants (though it does not include, for instance, fiber produced from the stalks or oil made from the seeds of the plants). THC is currently placed in the most restrictive category of controlled substances: it may not be prescribed for medical use and may be manufactured and possessed only for particular purposes (such as research) under special permits.

This bill requires the Department of Agriculture, Trade and Consumer Protection (DATCP) to issue licenses that authorize the growing and processing of industrial hemp. Industrial hemp is defined as the plant *Cannabis sativa* with no more than 0.3 percent THC. The bill requires an applicant for a license to provide a legal description of the land on which industrial hemp will be grown or processed and to pay a fee for the license. It also requires DATCP to obtain a criminal history search from the state Department of Justice for each applicant and prohibits DATCP

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from issuing a license to a person if the criminal history search shows the person has been convicted of violating the controlled substances law. The bill requires reporting by a person with an industrial hemp license, including reporting all sales of industrial hemp. The bill also requires DATCP to promulgate rules for the administration of the licensing law.

This bill creates an exemption from the controlled substances law for growing or processing industrial hemp in conformity with a license issued by DATCP.

Growing and possessing the plant *Cannabis* is also prohibited by federal law, except with a permit issued by the federal Drug Enforcement Administration. This bill does not change federal law.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.115 (7) (gc) of the statutes is created to read:

2 20.115 (7) (gc) *Industrial hemp.* All moneys received under s. 94.55 for
3 regulation of growing and processing industrial hemp under s. 94.55.

4 **SECTION 2.** 94.55 of the statutes is created to read:

5 **94.55 Industrial hemp. (1) DEFINITION.** In this section, “industrial hemp”
6 means the plant *Cannabis sativa* having no more than 0.3 percent
7 tetrahydrocannabinol, including the seeds of that plant.

8 **(2) LICENSING.** (a) The department shall issue licenses that authorize growing,
9 processing, and, in conjunction with growing or processing, selling industrial hemp
10 for commercial purposes or research.

11 (b) A person applying for a license under this subsection shall provide the name
12 and address of the applicant and the legal description of the land on which industrial
13 hemp will be grown or processed and shall pay a fee equal to \$150 or, if the person
14 will grow industrial hemp, the greater of \$150 or \$5 multiplied by the number of acres
15 on which the person will grow industrial hemp.

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1 (c) 1. The department shall obtain a criminal history search from the records
2 maintained by the department of justice for each person applying for initial licensure
3 under this subsection.

4 2. The department may not issue a license if the person has ever been convicted
5 of a violation of ch. 961 as indicated in the information obtained under subd. 1.

6 3. Information obtained by the department under subd. 1. is confidential and
7 may be used only to determine eligibility for licensure.

8 (d) A license issued under this subsection is valid for one year.

9 **(3) DOCUMENTATION AND REPORTING REQUIREMENTS.** (a) A licensee under sub. (2)
10 who grows industrial hemp shall provide all of the following to the department:

11 1. Documentation showing that the seeds planted were of a variety certified to
12 have no more than 0.3 percent tetrahydrocannabinol.

13 2. A copy of any contract under which the licensee grows industrial hemp.

14 (b) A licensee under sub. (2) shall report to the department the name and
15 address of each person to whom the licensee sells industrial hemp and the amount
16 of industrial hemp sold to each person.

17 **(4) AUTHORITY TO IMPORT AND SELL SEED.** A person licensed under sub. (2) may
18 bring into this state and resell seed of varieties of industrial hemp that are certified
19 to have no more than 0.3 percent tetrahydrocannabinol.

20 **(5) RULES.** The department shall promulgate rules for the administration of
21 this section including rules concerning all of the following:

22 (a) Certifying industrial hemp seeds.

23 (b) Testing plants during growth for tetrahydrocannabinol levels.

24 (c) Supervising the growing, harvesting, and processing of industrial hemp.

25 **SECTION 3.** 961.32 (3) of the statutes is created to read:

ASSEMBLY BILL 638**SECTION 3**

1 961.32 (3) (a) In this subsection, “industrial hemp” has the meaning given in
 2 s. 94.55 (1).

3 (b) A person licensed by the department of agriculture, trade and consumer
 4 protection under s. 94.55 (2), and an agent or employee of the person acting in the
 5 usual course of the agent’s or employee’s business or employment, may plant,
 6 cultivate, grow, harvest, process, possess, and deliver industrial hemp in this state
 7 to the extent authorized by the person’s license and in conformity with s. 94.55 and
 8 the rules promulgated under that section.

9 **SECTION 4.** 961.55 (8) of the statutes is renumbered 961.55 (8) (intro.) and
 10 amended to read:

11 961.55 (8) (intro.) The failure, upon demand by any officer or employee
 12 designated in s. 961.51 (1) or (2), of the person in occupancy or in control of land or
 13 premises upon which the species of plants are growing or being stored, to produce an
 14 one of the following constitutes authority for the seizure and forfeiture of the plants
 15 described in sub. (7):

16 (a) An appropriate federal registration, or proof that the person is the holder
 17 thereof, constitutes authority for the seizure and forfeiture of the plants.

18 **SECTION 5.** 961.55 (8) (b) of the statutes is created to read:

19 961.55 (8) (b) Evidence of licensure under s. 94.55.

20 (END)