

### Fiscal Estimate - 2025 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>25-4832/1</b>	<b>Introduction Number</b> <b>SB-0499</b>
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**Description**  
 the definition of hemp

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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**Local:**

No Local Government Costs  
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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## Fiscal Estimate Narratives

DSPS 12/18/2025

LRB Number	25-4832/1	Introduction Number	SB-0499	Estimate Type	Original
Description the definition of hemp					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, tetrahydrocannabinol (THC) is a controlled substance, the possession, manufacture, delivery, and distribution of which are criminal offenses under the state's Controlled Substances Act. Current law exempts hemp from the definition of THC. "Hemp" is defined under current law as "the plant *Cannabis sativa* L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9-tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis or the maximum concentration allowed under federal law up to 1 percent, whichever is greater, as tested using post-decarboxylation or other similarly reliable methods." The current law definition of "hemp" clarifies that it does not include a prescription drug product that has been approved by the U.S. food and drug administration.

This bill changes the definition of hemp and, as a result, what is exempted from the definition of THC under the state's Controlled Substances Act. The bill defines "hemp" as "the plant *Cannabis sativa* L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a total tetrahydrocannabinol concentration, including tetrahydrocannabinolic acid, of not more than 0.3 percent in the plant on a dry weight basis." The bill, like current law, also clarifies that "hemp" does not include a prescription drug product that has been approved by the U.S. food and drug administration.

The bill also provides that the definition of "hemp" includes industrial hemp and defines "industrial hemp" as hemp grown for the use of the stalk; hemp grown for the use of the whole grain, oil, cake, nut, hull, or any other product from the seeds of the plant; hemp grown for purposes of producing microgreens or other edible hemp leaf products derived from an immature, low-THC plant; hemp plants that do not enter the stream of commerce and that are intended to support hemp research at an institution of higher education or independent research institute; and hemp that is grown for the use of a viable seed that is produced solely to produce any of the previously mentioned products or uses.

The bill provides that the definition of "hemp" does not include a viable cannabis seed that has a total THC concentration, including tetrahydrocannabinolic acid, of more than 0.3 percent in the plant on a dry weight basis. In addition, under the bill, the definition of "hemp" does not include a hemp derived cannabinoid product that contains a cannabinoid that is not capable of being naturally produced by a cannabis plant; a cannabinoid that is capable of being naturally produced by a cannabis plant but that is synthesized or manufactured outside of the plant; or a quantifiable amount of THC or other cannabinoid that has similar effects or is marketed to have similar effects on humans or animals as THC.

The bill defines "hemp-derived cannabinoid product" as "an intermediate or final product that is derived from hemp other than industrial hemp, that contains cannabinoids in any form, and that is intended for human or animal use through any means of application or administration, including inhalation, ingestion, or topical application." The bill clarifies that "hemp-derived cannabinoid product" does not include a prescription drug product that has been approved by the U.S. food and drug administration.

Under current law, the department is required to conduct predetermination reviews or legal reviews for applicants who have criminal offense histories including histories related to the possession, use and distribution of THC as well as driving under the influence of THC. The primary focus of this legislation is to close a perceived loophole in current law related to the definition of hemp and it appears to primarily impact farmers who grow hemp and persons who manufacture and sell products that are derived from hemp. Impacts on persons who may seek a credential or renewal of a credential are indeterminate - therefore the fiscal effect on the department is indeterminate.

### **Long-Range Fiscal Implications**