

CO-SPONSORSHIP MEMORANDUM

TO: All Legislators

FROM: Representatives Jesse Kremer, Bob Kulp, and Scott Krug
Senators Pat Testin, Sheila Harsdorf, Kathleen Vinehout, and Lena Taylor

DATE: Thursday, February 23

RE: Co-sponsorship of LRB-1117/1 and LRB 2273/1, relating to growing and processing industrial hemp, granting rule-making authority, and making an appropriation.

DEADLINE: Friday, March 10 at 5:00 p.m.

Industrial hemp is an agricultural crop with a rich history in Wisconsin. This commodity was primarily used in the production of rope, textiles and paper during the early 20th century. In addition to growing and processing hemp for the war department, Wisconsin manufacturers designed and produced industrial hemp farm machinery.

Grown in the United States through the 1950's, industrial hemp, a dry crop that uses minimal quantities of water, is part of the family of plant known as cannabis. Although it is a close cousin of marijuana, industrial hemp, or cannabis sativa, is a distinctly different cannabis from marijuana.

Recently, a Republican Congress recognized the differences between industrial hemp and marijuana. The 2014 Farm Bill, signed by President Obama, prevented the DEA from seizing and destroying industrial hemp in states that allow research programs for this crop. Thirty one states have defined industrial hemp as distinct and removed barriers to its production: Alabama, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Illinois, Indiana, Kentucky, Maine, Maryland, Michigan, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New York, North Carolina, North Dakota, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Vermont, Washington, West Virginia and Virginia.

The definition of industrial hemp that is utilized in this legislation has been recognized by the federal government as containing no more than 0.3% THC by dry weight – a non-psychoactive product.

Just this past December, Wisconsin's own Farm Bureau, a strong supporter of this bill, passed a policy urging the re-emergence of this commodity. Their official position states, "We support the production, processing, commercialization and utilization of industrial hemp and that it be regulated by USDA rather than the Drug Enforcement Agency (DEA)."

In addition, this bill has been reviewed and positively received by other stakeholders including the Wisconsin Department of Justice, Department of Agriculture, Trade, and Consumer Protections, UW-College of Agriculture and Life Sciences, and private Wisconsin agriculture crop testing firms capable of expanding services when this commodity is reintroduced.

Currently, United States manufacturers import nearly \$0.5 billion of industrial hemp annually. Allowing this crop to grow in Wisconsin has the potential to expand our agricultural sector, create new manufacturing and tech opportunities, and ultimately produce new jobs and tax revenue.

Industrial hemp fibers are stronger than carbon fiber and have already been used in protective fire gear, plastic panels in vehicles, brake pads, building insulation, super capacitors to replace graphene in high end batteries and to replace Kevlar in bulletproof vests. From the human consumption aspect, the non-psychoactive CBD seed oils contain more Omega 3 than fish oils and can alleviate many more maladies than simple THC.

To view a brief 10 minute interview with Rep. Kremer and a Wisconsin resident on the topic, [please click here](#).

To be added on as a co-sponsor of this legislation, please reply to this email or contact Nik in Rep. Kremer's office at 6-9175 or Matt in Sen. Testin's office at 6-3123 by **Friday, March 10th**. All co-sponsors will be added to the corresponding companion version of the bill unless specified otherwise.

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, which means 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 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 on a dry weight basis. The bill requires an applicant for a license to provide the GPS coordinates 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 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 provides that a person may possess, transport, sell, distribute, or buy industrial hemp without a license if the industrial hemp was planted, grown, cultivated, and processed by a person licensed by DATCP or by a person in another state or country who planted, grew, cultivated, or processed the industrial hemp in accordance with the laws of that state or country. The bill requires reporting by a person with an industrial hemp license, including reporting all sales of industrial hemp.

This bill also provides that DATCP or an institution of higher education may establish an agricultural pilot program to study industrial hemp and to grow hemp for this purpose. In addition, the bill requires a tribe or an individual tribal member to have a license from DATCP to grow or process industrial hemp. The bill also provides that a tribe may establish, with the assistance of DATCP or an institution of higher education other than a tribal college or university, an agricultural pilot program to study industrial hemp. The bill also allows the committee on state-tribal relations to study economic development ventures related to industrial hemp.

This bill requires DATCP, the University of Wisconsin-Madison College of Agriculture and Life Sciences (UW-CALS), and the Wisconsin Crop Improvement Association to administer a voluntary seed certification program for industrial hemp and allows DATCP and UW-CALS to develop a

Wisconsin heritage seed for industrial hemp. In addition, the bill requires any industrial hemp or industrial hemp product intended for human consumption to be tested, in its final consumer-ready state, by an independent testing laboratory. The bill sets out requirements related to the laboratory's accreditation, testing, and reporting.

This bill also creates an exemption from the controlled substances law for growing, processing, or possessing industrial hemp in conformity with a license issued by DATCP. Under the bill, if a plant being grown for industrial hemp tests at a higher concentration of tetrahydrocannabinol than 1.0 percent, the entire crop is to be seized and destroyed. The bill also provides that a licensed grower of industrial hemp is not subject to criminal penalties if a crop is found to have a tetrahydrocannabinol concentration of 1.5 percent or less or if the grower planted certified seed. Additionally, the bill creates an exemption for possessing, transporting, delivering, selling, distributing, and buying industrial hemp if the industrial hemp was planted, grown, cultivated, and processed by a person licensed by DATCP or by a person in another state or country in accordance with the laws of that state or country.

Finally, the bill requires DATCP to promulgate rules for the administration of the licensing law, as well as for certifying industrial hemp and for developing programs for researching industrial hemp genetics.

This bill does not change federal law. Growing and possessing the plant Cannabis is generally prohibited by federal law. The 2014 federal farm bill, 7 USC 5940, authorizes a state agriculture department or an institution of higher education to grow industrial hemp for research purposes, if the state's laws allow the growing of industrial hemp by a state agricultural agency or institute of higher education.