

## Needed Changes to Hemp Law and Regulation to Promote Business Growth and Success

Please help lay the groundwork for the hemp industry to thrive in Kansas. The over regulation of hemp processing and production needs to be changed. States have taken different approaches to the hemp industry, some more business friendly than others, and some Kansas bordering states go so far as to not even require the licensing and policing of hemp processing facilities. In Kansas, hemp regulation takes the approach of a minutiae driven reactive stance and not the proactive and business friendly regulation that it could be. If Kansas wants to be home to a successful hemp industry it needs to take an approach more akin to those states that have already succeeded in doing so. Kansas should take into consideration how bordering states such as Missouri, Oklahoma, and Colorado treat the hemp industry as a business and not a would-be criminal enterprise. Let's give Kansans the opportunity to succeed in the hemp industry and not be a deserted island in a sea of thriving hemp friendly bordering states. Please help address these issues.

- 1) **K.A.R 22-26-1** needs a clearer definition of a finished product. The regulations should allow for any extract, bulk or retail ready, under .3% THC to be legally sold. Right now, the regulation looks at finished products as those ready to go on a retail shelf. Bulk extract below .3% THC should be included in the definition of a finished product. If not, it seems the determining factor is packaging and not the cannabinoid content of the substance in question.
- 2) **K.A.R 22-26-6 & 22-26-11** create a nearly impossible inventory control and record keeping process to implement. If the state wants the hemp industry to survive and thrive it needs to have some trust in the people they license to do business. Some of the records being asked for are necessary to run a successful business but trying to track and locate every piece of hemp and extract through an entire processing facility everyday seems above and beyond what would need to be required to ensure compliance. Instead, we should identify a few critical control points that could be monitored to ensure compliance.
- 3) **K.A.R. 22-26-7** gives the fire marshal the right to search a processor's or employee's vehicle, person, and personal effects. Each processor and employee is required to sign a form granting consent for the search. This opens the door for a processor and employees to be victim to involuntary search and seizure and personifies them as criminals.
- 4) **K.A.R 22-26-9** requires a processor record and keep 24/7 video of the facility for 90 days. Depending upon how many cameras are required under the regulation for coverage of the facility a processor could potentially be looking at thousands of dollars

to be spent on a server or device to record and keep such video for 90 days. The 90 days should be brought down to a more reasonable number that won't require as much investment.

- 5) **K.A.R 22-26-10** mandates that processors devitalize seeds within 10 days of receiving. The seeds contain no cannabinoids so why are they subject to devitalization? They can be used or sold as a food source, ground into flour, or pressed for oil among other uses of which devitalization could make them unusable. Under this and other Article 26 regulations processors have to keep track and weigh every seed that comes through their door and devitalize them which seems unreasonable.
- 6) **K.A.R. 22-26-14** needs to be thrown out and redrawn from scratch. As it is written it is a business killer. Not being able to transport undiluted intermediate substances between licensed processors will simply and efficiently undermine any chance processors have to do business with one another. The process of refining CBD hemp into a ready for market product takes multiple stages of processing with multiple different pieces of equipment. This regulation only allows for one extraction/processing business model. The processor would have to be integrated from extracting biomass to remediating THC to manufacturing ready for shelf products. Under this regulation a processor would not even be able to successfully send their extract out for THC remediation to make a legal marketable product under current Kansas Law. Kansas needs to allow for simple and unmitigated transfer of intermediate substances between licensed processing facilities in and out of state to allow for the growth of successful competitive businesses.
- 7) **K.A.R 22-26-15** give the fire marshal blanket authority to shut down a processor for 7 days. The processor should be granted some recourse and right to appeal.
- 8) **K.A.R 22-26-16** requires pay for any testing at the fire marshal's request. With testing running anywhere from \$40 to over \$100 per test the fire marshal could potentially put a big dent in the processor's cash flow or test them out of business. A cap needs to be put on testing or include the testing in the processor's licensing fee. Also, the lab that the fire marshal uses for testing needs to be able to determine THC content on a mg/g basis and not a simple litmus test to see if a particular substance is present or not present.
- 9) Kansas should allow CBD in dietary supplements and food and beverage as long as the processing facility meets all the requirements of a food and beverage or dietary supplement manufacturing facility.
- 10) Kansas needs to mandate that .3% THC or below in retail products made from hemp are legal for sale.
- 11) Kansas should allow remediation for hot hemp crops as outlined in USDA regulation.