Session of 2021

HOUSE BILL No. 2244

By Committee on Agriculture

2-4

 AN ACT concerning industrial hemp; relating to the effective disposal thereof by the department of agriculture in coordination with state or local law enforcement; requiring industrial hemp processors to register with the state fire marshal; providing exemptions from regulations; allowing issuance of stop sale, use or removal orders; amending K.S.A. 2020 Supp. 2-3903 and 2-3907 and repealing the existing sections.

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8 Be it enacted by the Legislature of the State of Kansas:

9 New Section 1. (a) Whenever a person licensed under the commercial 10 industrial hemp act is required to conduct effective disposal of industrial 11 hemp pursuant to standards established by the controlled substances act, 12 21 U.S.C. 13 et seq., or under regulations adopted by the United States drug enforcement administration, the Kansas department of agriculture 13 shall notify state or local law enforcement agencies with jurisdiction in the 14 area in which the industrial hemp was grown that effective disposal is 15 16 required.

(b) The department shall develop a plan for effective disposal of
industrial hemp in coordination with the state or local law enforcement
agency notified pursuant to subsection (a).

20 (c) (1) In order to carry out the provisions of this section, the 21 department is authorized to perform any action necessary to ensure that 22 effective disposal of industrial hemp occurs, including, but not limited to:

23 24 (A) Taking temporary possession of the industrial hemp;

(B) destroying the industrial hemp; or

(C) supervising and directing any appropriate method of effectivedisposal.

(2) The state or local law enforcement agency shall approve in
advance any such action taken by the department or any person under the
department's direction or supervision.

(d) (1) The secretary may require any employee or agent of the department who participates in the effective disposal of industrial hemp to be fingerprinted and to submit to a state and national criminal history record check annually. The secretary may use the information obtained from fingerprinting and the criminal history record check to verify the identity of the employee or agent and determine whether the employee or agent has been convicted of a felony violation of article 57 of chapter 21 of the Kansas Statutes Annotated, and amendments thereto, or a
 substantially similar offense in another jurisdiction, within the 10 years
 immediately preceding submission of such criminal history record check.
 The department is authorized to submit the fingerprints to the Kansas
 bureau of investigation and the federal bureau of investigation for a state
 and national criminal history record check.

7 (2) Local and state law enforcement officers and agencies shall assist 8 in the taking and processing of fingerprints of such employee or agent of 9 the department. Local law enforcement officers and agencies may charge a 10 fee as reimbursement for expenses incurred in the taking and processing of 11 fingerprints under this subsection. The department shall pay the costs of 12 fingerprinting and the state and national criminal history record check.

(e) The department and the appropriate state or local law enforcement
 agency may seek reimbursement from any individual licensed under the
 commercial industrial hemp act for any costs incurred in conducting
 effective disposal of industrial hemp.

(f) The department shall have no authority to conduct effective
disposal for any industrial hemp or cannabis plant produced by individuals
not licensed under the commercial industrial hemp act.

(g) Nothing in this section shall limit the jurisdiction or authority of
state or local law enforcement to enforce article 57 of chapter 21 of the
Kansas Statutes Annotated, and amendments thereto.

(h) This section shall be a part of and supplemental to the commercial
industrial hemp act, K.S.A. 2020 Supp. 2-3901 et seq., and amendments
thereto.

26 New Sec. 2. In addition to any other remedy that the state fire 27 marshal may exercise pursuant to the Kansas fire prevention code, K.S.A. 28 31-132 et seq., and amendments thereto, the state fire marshal may issue a 29 stop sale, use or removal order whenever the state fire marshal reasonably 30 believes that hemp products are being produced, sold or distributed in 31 violation of the commercial industrial hemp act or any rules and regulations promulgated thereunder. No stop sale, use or removal order 32 33 shall be valid for more than seven calendar days. No person who has been 34 issued a stop sale, use or removal order shall process, sell, distribute, use 35 or remove industrial hemp, hemp products or hemp waste until any such 36 stop sale, use or removal order is revoked in writing by the state fire 37 marshal.

Sec. 3. K.S.A. 2020 Supp. 2-3903 is hereby amended to read as follows: 2-3903. (a) The alternative crop research act licensing fee fund created in the state treasury shall be renamed the commercial industrial hemp act licensing fee fund and continue to be administered by the secretary of agriculture. All expenditures from the commercial industrial hemp act licensing fee fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports
 issued pursuant to vouchers signed by the secretary of agriculture or the
 secretary's designee.

4 (b) *Except as provided in K.S.A. 2020 Supp. 2-3907, and amendments* 5 *thereto,* licensing and renewal fees shall be established pursuant to rules 6 and regulations adopted by the secretary under the commercial industrial 7 hemp act. The amounts received for such fees shall be deposited in the 8 state treasury in accordance with K.S.A. 75-4215, and amendments 9 thereto, and shall be credited to the commercial industrial hemp act 10 licensing fee fund.

11 Sec. 4. K.S.A. 2020 Supp. 2-3907 is hereby amended to read as 12 follows: 2-3907. (a) The-Kansas department of agriculture *state fire* 13 *marshal* shall create and maintain a registry of all hemp processors 14 operating within the state of Kansas.

(b) Any person engaging in the processing of industrial hemp shall
 register annually with the secretary of agriculture state fire marshal prior
 to processing industrial hemp, except as provided in subsection (f).

(c) Registration shall expire annually on April June 30. A registration
 fee, not to exceed \$200 \$1,000, shall be established pursuant to rules and
 regulations adopted by the secretary state fire marshal.

(d) Any person required to register as a hemp processor pursuant to
 this section shall submit an annual registration application on a form
 provided by the secretary state fire marshal that shall include, at a
 minimum:

(1) The full legal name, date of birth, address and telephone number
of the applicant. If the applicant is not an individual, the same information
shall also be provided for all owners and the individual responsible for all
industrial hemp processing and related activities performed by the
applicant;

30 (2) the physical location of any premises that will serve as a part of31 the applicant's industrial hemp processing operations;

32 (3) a brief description of the industrial hemp processing methods,33 activities and products planned for production; and

(4) certification that such applicant has fully complied with the
fingerprinting and criminal history record check requirements contained in
this section, if applicable. Any such applicant who provides a false
statement of compliance with such requirements shall be guilty of a class
C nonperson misdemeanor.

(e) The-Kansas department of agriculture state fire marshal shall
provide an updated list of all hemp processors to the Kansas bureau of
investigation and to the county sheriff in each county where a hemp
processor is located as often as is reasonably required or requested.

43 (f) No hemp processor who is licensed under K.S.A. 2020 Supp. 2-

3902, and amendments thereto, shall be required to register pursuant to
 this section, but the secretary shall include such hemp processors in the list
 of registered hemp processors maintained by the Kansas department of
 agriculture pursuant to this section.

5 (g) Fees collected pursuant to this section shall be remitted to the 6 state treasurer in accordance with the provisions of K.S.A. 75-4215, and 7 amendments thereto. Upon receipt of each such remittance, the state 8 treasurer shall deposit the entire amount in the state treasury to the credit 9 of the commercial industrial hemp act licensing *fire marshal* fee fund.

10 (h)(g) Except as provided in subsection (f), It shall be unlawful for 11 any person to operate as a hemp processor without valid registration.(i) 12 (1)— Upon a first conviction for a violation of *this* subsection—(h), a 13 person shall be guilty of a class A nonperson misdemeanor.(2)— On a 14 second or subsequent conviction for a violation of *this* subsection—(h), a 15 person shall be guilty of a severity level 9, nonperson felony.

16 (i) (1) A registered hemp processor, or an applicant to become a-17 registered hemp processor, shall request the Kansas bureau of investigation 18 to conduct a state and national criminal history record check on any-19 individual employed or seeking employment under such registered hemp processor or applicant who would be engaged in extraction of 20 21 eannabinoids, including through the disposal of cannabinoids from-22 industrial hemp, pursuant to K.S.A. 2020 Supp. 2-3909, and amendments 23 thereto. The request for a state and national criminal history record check 24 shall include the following:

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(A) The individual's fingerprints; and

26 (B) a copy of a completed and signed statement furnished by the
 27 hemp processor that includes:

(i) A waiver permitting the hemp processor to request and receive a
 eriminal history record check for the purpose of determining the individual's qualification and fitness to process industrial hemp;

(ii) the name, address and date of birth of the individual as it appears
 on a valid identification document;

(iii) a disclosure of whether or not the individual has ever been convicted of or is the subject of pending charges for a criminal offense
 and, if convicted, a description of the crime and the result of the conviction; and

37 (iv) a notice to the individual that they are entitled to obtain a copy of
38 the criminal history record check to challenge the accuracy and
39 completeness of any information contained in any such report before any
40 final determination is made by the hemp processor.

41 (2) A registered hemp processor, or an applicant to become a 42 registered hemp processor, shall require such individual to be fingerprinted
 43 and to submit the fingerprints to the Kansas bureau of investigation and

1 the federal bureau of investigation for a state and national criminal history

2 record check. Such hemp processor or applicant shall use the fingerprints 3 to identify the individual and to determine whether the individual has a 4 record of criminal history in this state or other jurisdictions or countries. 5 The hemp processor may use the information obtained from the-6 fingerprints and such state and national criminal history record checks in 7 the official determination of the qualifications and fitness of the individual 8 to process industrial hemp.

9 (h) (1) The state fire marshal shall require all individuals applying for a hemp processor registration who seek to engage in the extraction of 10 cannabinoids from industrial hemp, including the disposal of such 11 12 cannabinoids, pursuant to the commercial industrial hemp act to be fingerprinted and submit to a state and national criminal history record 13 check. The state fire marshal may require individuals who are current 14 15 employees or applying to be employees of a hemp processor to be 16 fingerprinted and submit to a state and national criminal history record check. The fingerprints shall be used to identify the individual and to 17 determine whether the individual has a record of criminal history in 18 19 Kansas or any other jurisdiction. The state fire marshal is authorized to 20 submit the fingerprints to the Kansas bureau of investigation and the 21 federal bureau of investigation for a state and national criminal history 22 record check. The state fire marshal may use the information obtained 23 from fingerprinting and the criminal history record check for purposes of verifying the identification of the individual and for making an official 24 25 determination of the qualification and fitness of the individual to process industrial hemp pursuant to this act and rules and regulations 26 promulgated hereunder. Disclosure or use of any criminal history 27 information received by the hemp processor for any purpose other than the 28 29 purposes provided for in the commercial industrial hemp act shall be a 30 class A nonperson misdemeanor and shall constitute grounds for removal 31 from office or termination of employment.

32 (3) Local and state law enforcement officers and ageneics shall assist
 33 the hemp processor in taking and processing such individual's fingerprints
 34 as authorized by this section.

(4) The Kansas bureau of investigation shall release all records of the
individual's adult convictions and adult convictions from another state,jurisdiction or country, to the hemp processor to make a finaldetermination of the qualification of such individual to process industrial
hemp.

40 (5)(2) An individual who has been convicted of a felony violation of 41 article 57 of chapter 21 of the Kansas Statutes Annotated, and amendments 42 thereto, or a substantially similar offense in another jurisdiction, within the 43 immediately preceding 10 years, shall be disqualified from processing 1 industrial hemp under this section.

2 (6) A hemp processor shall be solely responsible for making any-3 determination that an individual's criminal history record shows that such 4 individual has been convicted of a crime that bears upon the fitness of such 5 individual to extract cannabinoids from industrial hemp. This section does 6 not require the Kansas bureau of investigation to make such a-7 determination on behalf of any hemp processor.

8 (7) The Kansas bureau of investigation may charge a reasonable fee
 9 for conducting a criminal history record check.

(8) A registered hemp processor, or an applicant to become a
 registered hemp processor, shall pay the costs of fingerprinting and the
 state and national criminal history record checks for individuals seeking
 employment under such hemp processor or applicant.

(k) The secretary

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(3) The state fire marshal may deny registration to any individual
who has violated subsection (g) or any other provision of the commercial
industrial hemp act.

(4) The Kansas bureau of investigation may charge a reasonable fee
for conducting a criminal history record check.

20 (5) The individual seeking authorization to extract or dispose of 21 cannabinoids from industrial hemp pursuant to this section shall pay the 22 costs of fingerprinting and the state and national criminal history record 23 check.

(6) Local and state law enforcement officers and agencies shall assist
 in taking and processing an individual's fingerprints as authorized by this
 section.

(i) (1) The state fire marshal shall promulgate rules and regulations to
 carry out the provisions of this section, including, but not limited to, rules
 and regulations on:

(A) The denial, conditioning, renewal or revocation of registration;

(B) the creation of multiple classes of registrations based upon the
 scope of hemp processing activities of an applicant;

33 (*C*) construction and safety standards for processing facilities;

- 34 (D) security measures;
- 35 *(E) inventory control;*
- *(F) maintenance of records;*

37 (G) access to and inspection of records and processing facilities by
38 the state fire marshal and law enforcement agencies;

(H) the collection and disposal of any cannabinoids extracted during
the processing of industrial hemp that cannot be lawfully sold in this state;
and

42 (I) the transportation of industrial hemp or hemp products.

43 (2) The state fire marshal may grant an exemption from the

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1 application of a specific requirement of rules and regulations promulgated

2 under paragraph (1), unless the state fire marshal determines that the
3 condition, structure or activity that is or would be in noncompliance with

4 such requirement would constitute a distinct hazard to life or property. Any

5 such exemption shall be granted only upon written request of a registrant 6 or applicant for registration that clearly demonstrates that enforcement of

6 or applicant for registration that clearly demonstrates that enforcement of
7 a specific requirement of a rule and regulation will cause unnecessary
8 hardship as determined by the state fire marshal.

(i) The Kansas department of agriculture and the state fire marshal
 shall coordinate with one another, including providing any requested information from the other, regarding industrial hemp licensees, hemp

11 information from the other, regarding thatstriat hemp ticensees, hemp
 12 processors and hemp processor applicants necessary for the enforcement
 13 of any laws or rules and regulations relating to industrial hemp.

14 (H)(k) This section shall be a part of and supplemental to the 15 commercial industrial hemp act, K.S.A. 2020 Supp. 2-3901 et seq., and 16 amendments thereto.

Sec. 5. K.S.A. 2020 Supp. 2-3903 and 2-3907 are hereby repealed.

18 Sec. 6. This act shall take effect and be in force from and after its19 publication in the Kansas register.