

AMENDED IN SENATE FEBRUARY 4, 2002

AMENDED IN SENATE AUGUST 27, 2001

AMENDED IN SENATE JULY 5, 2001

AMENDED IN ASSEMBLY MAY 31, 2001

AMENDED IN ASSEMBLY APRIL 30, 2001

AMENDED IN ASSEMBLY APRIL 16, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 388

Introduced by Assembly Member Strom-Martin

February 20, 2001

An act to add ~~and repeal Division 27 (commencing with Section 81200) Article 9.5 (commencing with Section 590) to Chapter 3 of Part 1 of Division 1 of the Food and Agricultural Code, relating to industrial hemp specialty fiber crops.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 388, as amended, Strom-Martin. ~~Industrial hemp: research~~
Specialty fiber crops.

Existing law provides for the University of California to conduct various studies, pilot demonstration projects, and programs designed to provide information and support to the Department of Food and Agriculture and California's agricultural community.

This bill would provide, upon agreement by the Regents, that the University of California would conduct an assessment of economic opportunities available through the production of specialty or



alternative fiber crops. This bill would provide that the assessment be funded by moneys currently in the budget of the University of California, if available, and that the University of California report its finding to the Legislature by January 1, 2004.

(1) Existing law contained in the Food and Agricultural Code does not authorize the commercial use of industrial hemp in this state. The Food and Agricultural Code provides that a violation of any of its provisions is, in general, a misdemeanor.

This bill would authorize privately funded research on industrial hemp, as defined, to be conducted in California after the state Department of Justice issues a state controlled substance registration and the federal Drug Enforcement Administration issues a federal controlled substance registration for research on the agronomic potential of industrial hemp. The bill would furthermore provide that the Department of Justice, in cooperation with the federal Drug Enforcement Administration and the county law enforcement agency having jurisdiction, shall monitor all phases of the research; the state Department of Justice shall assist the principal researcher in obtaining the necessary federal permits; the principals responsible for the research shall submit a detailed copy of the research proposal and quarterly status reports to the county law enforcement agency having jurisdiction and shall submit annual status reports to the Legislature; and all agronomic data derived from the research and maintained by a government agency shall not be subject to disclosure if the date is proprietary in nature and its disclosure would frustrate a legitimate government or law enforcement function. By creating new crimes, this bill would impose a state-mandated local program on local governments.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes no.

The people of the State of California do enact as follows:

1 SECTION 1. Division 27 (commencing with Section 81200)
2

1 SECTION 1. Article 9.5 (commencing with Section 950) is
2 added to Chapter 3 of Part 1 of Division 1 of the Food and
3 Agricultural Code, to read:

4

5 Article 9.5. *Specialty or Alternative Fiber Crops*

6

7 950. (a) Upon agreement by the Regents, the University of
8 California shall conduct an assessment of economic opportunities
9 available through the production of specialty or alternative fiber
10 crops including industrial hemp, kenaf, and flax by extrapolating
11 data on productivity and production costs available from trials
12 conducted in other states and countries to California's conditions.

13 The assessment shall include, but not be limited to, the following:

14 (1) An estimation of market demand and likely crop prices.

15 (2) Identification of potential barriers to profitability.

16 (3) Identification of production, processing, and marketing
17 issues that would be need to be addressed in future demonstration
18 research or pilot commercial trials.

19 (b) Not later than January 1, 2004, the University of California
20 shall report its findings to the Assembly Committee on Agriculture,
21 and the Senate Committee on Agriculture and Water Resources.

22 (c) The assessment shall be funded with monies currently
23 within the budget of the University of California, if available.

24 ~~is added to the Food and Agricultural Code, to read:~~

25

26 DIVISION 27. INDUSTRIAL HEMP

27

28 81200. (a) ~~The Legislature hereby finds and declares the~~
29 ~~following:~~

30 (1) ~~California's agricultural economy is suffering from the~~
31 ~~impacts of drought, pestilence, and foreign competition.~~

32 (2) ~~Industrial hemp provides many agricultural benefits,~~
33 ~~including drought and pest resistance and rotational benefits.~~

34 (3) ~~Industrial hemp provides many opportunities for farmers to~~
35 ~~move into new markets, including ethanol, textiles, and cosmetics.~~

36 (4) ~~California businesses that produce goods made from~~
37 ~~industrial hemp currently must import all raw materials because no~~
38 ~~local source is available.~~

1 (5) Our nation's founding fathers saw the value of industrial
2 hemp and, for a period of time, required all farming colonists to
3 grow industrial hemp crops.

4 (6) It is necessary and valuable to endorse and foster research
5 into the viability of industrial hemp as a means of strengthening the
6 state's agricultural economy.

7 (b) It is the intent of the Legislature in enacting this division to
8 permit privately funded research on industrial hemp to be
9 conducted in California after the state Department of Justice issues
10 a controlled substance registration, and the Drug Enforcement
11 Administration of the United States Department of Justice issues
12 a federal controlled substance registration for research on the
13 agronomic potential of industrial hemp.

14 81202. (a) For the purposes of this division, the term
15 "industrial hemp" means all parts and varieties of the plant
16 *Cannabis Sativa L.* that contain a tetrahydrocannabinol (THC)
17 concentration of three tenths of 1 percent or less by weight, and
18 does not include marijuana.

19 (b) Notwithstanding any other law to the contrary, privately
20 funded research on industrial hemp may be conducted in
21 California after the state Department of Justice issues a controlled
22 substance registration, and the Drug Enforcement Administration
23 of the United States Department of Justice issues a federal
24 controlled substance registration for research on the agronomic
25 potential of industrial hemp.

26 (c) The state Department of Justice, in cooperation with the
27 federal Drug Enforcement Administration and the county law
28 enforcement agency having jurisdiction, shall monitor all phases
29 of the research permitted by this section.

30 (d) The state Department of Justice shall assist the principal
31 researcher in obtaining the necessary federal permits from the
32 federal Drug Enforcement Administration or other appropriate
33 federal agency.

34 (e) During the course of the research, the principals responsible
35 for the research shall do the following:

36 (1) Submit a detailed copy of the research proposal and
37 quarterly status reports to the county law enforcement agency
38 having jurisdiction.

39 (2) Submit annual status reports to the Legislature prior to the
40 convening of each regular session.

1 (e) All agronomic data derived from the privately funded
2 industrial hemp research permitted by this section and maintained
3 by a government agency shall not be subject to disclosure if the
4 data is proprietary in nature and its disclosure would frustrate a
5 legitimate government or law enforcement function.

6 SEC. 2. No reimbursement is required by this act pursuant to
7 Section 6 of Article XIII B of the California Constitution because
8 the only costs that may be incurred by a local agency or school
9 district will be incurred because this act creates a new crime or
10 infraction, eliminates a crime or infraction, or changes the penalty
11 for a crime or infraction, within the meaning of Section 17556 of
12 the Government Code, or changes the definition of a crime within
13 the meaning of Section 6 of Article XIII B of the California
14 Constitution.