

AMENDED IN ASSEMBLY JANUARY 4, 2006

AMENDED IN ASSEMBLY APRIL 25, 2005

AMENDED IN ASSEMBLY MARCH 30, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1147

Introduced by Assembly Member Leno

February 22, 2005

An act to add Division 26 (commencing with Section 81100) to the ~~Food and Agricultural Code, and to amend Section 6276.26 of the Government~~ amend Sections 11018, 11054, 11357, 11358, 11359, 11360, 11361, and 11362.7 of, and to add Section 11018.5 to, the Health and Safety Code, relating to industrial hemp.

LEGISLATIVE COUNSEL'S DIGEST

AB 1147, as amended, Leno. Industrial hemp: growers and processors.

(1) Existing law contained in the Food and Agricultural Code does not authorize the production or utilization 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 makes it a crime to engage in any of various transactions relating to marijuana, except as otherwise authorized by law, such as the medical marijuana program. For the purposes of these provisions, marijuana is defined as not including the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or

cake, or the sterilized seed of the plant which is incapable of germination.

This bill would provide that any person desiring to grow revise the definition of marijuana so that the term would also not include industrial hemp, as defined, for commercial purposes shall comply with specified requirements, including a requirement to file a signed document relating to any contract to grow industrial hemp containing specified information; the document would be available for review by law enforcement but not by the public. The bill would also provide that any person desiring to operate as a primary processor of viable hemp seed into commercial, nonviable seed derivatives shall apply to the Department of Food and Agriculture for a license and comply with specified requirements. The bill would provide for the assessment of a fee on an applicant for a primary processor license. The bill would also provide for research by the University of California on industrial hemp, as specified. By creating new crimes, this bill would impose a state-mandated local program upon local governments which the bill would define as an agricultural crop that is limited to the nonpsychoactive varieties of the Cannabis plant having no more than 3/10 of 1% tetrahydrocannabinol contained in the dried flowering tops and that is cultivated and processed exclusively for the purpose of producing fiber from the stalks, oil or cake from the seeds of the plant, or any other compound, manufacture, salt, derivative, mixture, or preparation produced from the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. The bill would make conforming changes to related provisions.

(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. Section 11018 of the Health and Safety Code is
2 amended to read:

1 11018. “Marijuana” means all parts of the plant *Cannabis*
2 *sativa L.*, whether growing or not; the seeds thereof; the resin
3 extracted from any part of the plant; and every compound,
4 manufacture, salt, derivative, mixture, or preparation of the plant,
5 its seeds or resin. It does not include *industrial hemp, as defined*
6 *in Section 11018.5, or* the mature stalks of the plant, fiber
7 produced from the stalks, oil or cake made from the seeds of the
8 plant, any other compound, manufacture, salt, derivative,
9 mixture, or preparation of the mature stalks (except the resin
10 extracted therefrom), fiber, oil, or cake, or the sterilized seed of
11 the plant which is incapable of germination.

12 SEC. 2. *Section 11018.5 is added to the Health and Safety*
13 *Code, to read:*

14 11018.5. *“Industrial hemp” refers to an agricultural crop*
15 *that is limited to nonpsychoactive varieties of the Cannabis plant*
16 *having no more than three-tenths of one percent*
17 *tetrahydrocannabinol contained in the dried flowering tops and*
18 *that is cultivated and processed exclusively for the purpose of*
19 *producing fiber from the stalks, oil or cake from the seeds of the*
20 *plant, or any other compound, manufacture, salt, derivative,*
21 *mixture, or preparation produced from the mature stalks (except*
22 *the resin extracted therefrom), fiber, oil, or cake, or the sterilized*
23 *seed of the plant which is incapable of germination.*

24 SEC. 3. *Section 11054 of the Health and Safety Code is*
25 *amended to read:*

26 11054. (a) The controlled substances listed in this section are
27 included in Schedule I.

28 (b) Opiates. Unless specifically excepted or unless listed in
29 another schedule, any of the following opiates, including their
30 isomers, esters, ethers, salts, and salts of isomers, esters, and
31 ethers whenever the existence of those isomers, esters, ethers,
32 and salts is possible within the specific chemical designation:

33 (1) Acetylmethadol.

34 (2) Allylprodine.

35 (3) Alphacetylmethadol (except levoalphacetylmethadol, also
36 known as levo-alpha- acetylmethadol, levomethadyl acetate, or
37 LAAM).

38 (4) Alphameprodine.

39 (5) Alphamethadol.

40 (6) Benzethidine.

- 1 (7) Betacetylmethadol.
- 2 (8) Betameprodine.
- 3 (9) Betamethadol.
- 4 (10) Betaprodine.
- 5 (11) Clonitazene.
- 6 (12) Dextromoramide.
- 7 (13) Diampromide.
- 8 (14) Diethylthiambutene.
- 9 (15) Difenoxin.
- 10 (16) Dimenoxadol.
- 11 (17) Dimepheptanol.
- 12 (18) Dimethylthiambutene.
- 13 (19) Dioxaphetyl butyrate.
- 14 (20) Dipipanone.
- 15 (21) Ethylmethylthiambutene.
- 16 (22) Etonitazene.
- 17 (23) Etoxeridine.
- 18 (24) Furethidine.
- 19 (25) Hydroxypethidine.
- 20 (26) Ketobemidone.
- 21 (27) Levomoramide.
- 22 (28) Levophenacylmorphan.
- 23 (29) Morpheridine.
- 24 (30) Noracymethadol.
- 25 (31) Norlevorphanol.
- 26 (32) Normethadone.
- 27 (33) Norpipanone.
- 28 (34) Phenadoxone.
- 29 (35) Phenampromide.
- 30 (36) Phenomorphan.
- 31 (37) Phenoperidine.
- 32 (38) Piritramide.
- 33 (39) Proheptazine.
- 34 (40) Properidine.
- 35 (41) Propiram.
- 36 (42) Racemoramide.
- 37 (43) Tildidine.
- 38 (44) Trimeperidine.

1 (45) Any substance which contains any quantity of
2 acetyl fentanyl (N-[1-phenethyl-4-piperidinyl] acetanilide) or a
3 derivative thereof.

4 (46) Any substance which contains any quantity of the
5 thiophene analog of acetyl fentanyl
6 (N-[1-[2-(2-thienyl)ethyl]-4-piperidinyl] acetanilide) or a
7 derivative thereof.

8 (47) 1-Methyl-4-Phenyl-4-Propionoxypiperidine (MPPP).

9 (48) 1-(2-Phenethyl)-4-Phenyl-4-Acetyloxypiperidine
10 (PEPAP).

11 (c) Opium derivatives. Unless specifically excepted or unless
12 listed in another schedule, any of the following opium
13 derivatives, its salts, isomers, and salts of isomers whenever the
14 existence of those salts, isomers, and salts of isomers is possible
15 within the specific chemical designation:

- 16 (1) Acetorphine.
- 17 (2) Acetyldihydrocodeine.
- 18 (3) Benzylmorphine.
- 19 (4) Codeine methylbromide.
- 20 (5) Codeine-N-Oxide.
- 21 (6) Cyprenorphine.
- 22 (7) Desomorphine.
- 23 (8) Dihydromorphine.
- 24 (9) Drotebanol.
- 25 (10) Etorphine (except hydrochloride salt).
- 26 (11) Heroin.
- 27 (12) Hydromorphanol.
- 28 (13) Methyldesorphine.
- 29 (14) Methyldihydromorphine.
- 30 (15) Morphine methylbromide.
- 31 (16) Morphine methylsulfonate.
- 32 (17) Morphine-N-Oxide.
- 33 (18) Myrophine.
- 34 (19) Nicocodeine.
- 35 (20) Nicomorphine.
- 36 (21) Normorphine.
- 37 (22) Pholcodine.
- 38 (23) Thebacon.

39 (d) Hallucinogenic substances. Unless specifically excepted or
40 unless listed in another schedule, any material, compound,

- 1 mixture, or preparation, which contains any quantity of the
2 following hallucinogenic substances, or which contains any of its
3 salts, isomers, and salts of isomers whenever the existence of
4 those salts, isomers, and salts of isomers is possible within the
5 specific chemical designation (for purposes of this subdivision
6 only, the term "isomer" includes the optical, position, and
7 geometric isomers):
- 8 (1) 4-bromo-2,5-dimethoxy-amphetamine—Some trade or
9 other names:
10 4-bromo-2,5-dimethoxy-alpha-methylphenethylamine;
11 4-bromo-2,5-DMA.
12 (2) 2,5-dimethoxyamphetamine—Some trade or other names:
13 2,5-dimethoxy-alpha-methylphenethylamine; 2,5-DMA.
14 (3) 4-methoxyamphetamine—Some trade or other names:
15 4-methoxy-alpha-methylphenethylamine,
16 paramethoxyamphetamine, PMA.
17 (4) 5-methoxy-3,4-methylenedioxy-amphetamine.
18 (5) 4-methyl-2,5-dimethoxy-amphetamine—Some trade or
19 other names:
20 4-methyl-2,5-dimethoxy-alpha-methylphenethylamine; "DOM";
21 and "STP."
22 (6) 3,4-methylenedioxy amphetamine.
23 (7) 3,4,5-trimethoxy amphetamine.
24 (8) Bufotenine—Some trade or other names:
25 3-(beta-dimethylaminoethyl)-5-hydroxyindole;
26 3-(2-dimethylaminoethyl)-5 indolol; N,N-dimethylserotonin,
27 5-hydroxy-N,N-dimethyltryptamine; mappine.
28 (9) Diethyltryptamine—Some trade or other names:
29 N,N-Diethyltryptamine; DET.
30 (10) Dimethyltryptamine—Some trade or other names: DMT.
31 (11) Ibogaine—Some trade or other names: 7-Ethyl-6,6beta,
32 7,8,9,10,12,13-octahydro-2-methoxy-6,9-methano-5H-pyrido
33 [1',2':1,2] azepino [5,4-b] indole; Tabernantheiboga.
34 (12) Lysergic acid diethylamide.
35 (13) Marijuana, *not including "industrial hemp" as defined in*
36 *Section 11018.5.*
37 (14) Mescaline.
38 (15) Peyote—Meaning all parts of the plant presently
39 classified botanically as Lophophora williamsii Lemaire, whether
40 growing or not, the seeds thereof, any extract from any part of

1 the plant, and every compound, manufacture, salts, derivative,
2 mixture, or preparation of the plant, its seeds or extracts
3 (interprets 21 U.S.C. Sec. 812(c), Schedule 1(c)(12)).

- 4 (16) N-ethyl-3-piperidyl benzilate.
5 (17) N-methyl-3-piperidyl benzilate.
6 (18) Psilocybin.
7 (19) Psilocyn.

8 (20) Tetrahydrocannabinols. Synthetic equivalents of the
9 substances contained in the plant, or in the resinous extractives of
10 Cannabis, sp. and/or synthetic substances, derivatives, and their
11 isomers with similar chemical structure and pharmacological
12 activity such as the following: delta 1 cis or trans
13 tetrahydrocannabinol, and their optical isomers; delta 6 cis or
14 trans tetrahydrocannabinol, and their optical isomers; delta 3,4
15 cis or trans tetrahydrocannabinol, and its optical isomers.

16 (Since nomenclature of these substances is not internationally
17 standardized, compounds of these structures, regardless of
18 numerical designation of atomic positions covered).

19 (21) Ethylamine analog of phencyclidine—Some trade or
20 other names: N-ethyl-1-phenylcyclohexylamine,
21 (1-phenylcyclohexyl) ethylamine, N-(1-phenylcyclohexyl)
22 ethylamine, cyclohexamine, PCE.

23 (22) Pyrrolidine analog of phencyclidine—Some trade or other
24 names: 1-(1-phenylcyclohexyl)-pyrrolidine, PCP, PHP.

25 (23) Thiophene analog of phencyclidine—Some trade or other
26 names: 1-[1-(2 thienyl)-cyclohexyl]-piperidine, 2-thienyl analog
27 of phencyclidine, TPCP, TCP.

28 (e) Depressants. Unless specifically excepted or unless listed
29 in another schedule, any material, compound, mixture, or
30 preparation which contains any quantity of the following
31 substances having a depressant effect on the central nervous
32 system, including its salts, isomers, and salts of isomers
33 whenever the existence of those salts, isomers, and salts of
34 isomers is possible within the specific chemical designation:

- 35 (1) Mecloqualone.
36 (2) Methaqualone.
37 (3) Gamma hydroxybutyric acid (also known by other names
38 such as GHB; gamma hydroxy butyrate; 4-hydroxybutyrate;
39 4-hydroxybutanoic acid; sodium oxybate; sodium oxybutyrate),
40 including its immediate precursors, isomers, esters, ethers, salts,

1 and salts of isomers, esters, and ethers, including, but not limited
2 to, gammabutyrolactone, for which an application has not been
3 approved under Section 505 of the Federal Food, Drug, and
4 Cosmetic Act (21 U.S.C. Sec. 355).

5 (f) Unless specifically excepted or unless listed in another
6 schedule, any material, compound, mixture, or preparation which
7 contains any quantity of the following substances having a
8 stimulant effect on the central nervous system, including its
9 isomers:

10 (1) Cocaine base.

11 (2) Fenethylline, including its salts.

12 (3) N-Ethylamphetamine, including its salts.

13 *SEC. 4. Section 11357 of the Health and Safety Code is
14 amended to read:*

15 11357. (a) Except as authorized by law, every person who
16 possesses any concentrated cannabis shall be punished by
17 imprisonment in the county jail for a period of not more than one
18 year or by a fine of not more than five hundred dollars (\$500), or
19 by both such fine and imprisonment, or shall be punished by
20 imprisonment in the state prison.

21 (b) Except as authorized by law, every person who possesses
22 not more than 28.5 grams of marijuana, other than concentrated
23 cannabis *and not including industrial hemp as defined in Section*
24 *11018.5*, is guilty of a misdemeanor and shall be punished by a
25 fine of not more than one hundred dollars (\$100).
26 Notwithstanding other provisions of law, if such person has been
27 previously convicted three or more times of an offense described
28 in this subdivision during the two-year period immediately
29 preceding the date of commission of the violation to be charged,
30 the previous convictions shall also be charged in the accusatory
31 pleading and, if found to be true by the jury upon a jury trial or
32 by the court upon a court trial or if admitted by the person, the
33 provisions of Sections 1000.1 and 1000.2 of the Penal Code shall
34 be applicable to him, and the court shall divert and refer him for
35 education, treatment, or rehabilitation, without a court hearing or
36 determination or the concurrence of the district attorney, to an
37 appropriate community program which will accept him. If the
38 person is so diverted and referred he shall not be subject to the
39 fine specified in this subdivision. If no community program will
40 accept him, the person shall be subject to the fine specified in this

1 subdivision. In any case in which a person is arrested for a
2 violation of this subdivision and does not demand to be taken
3 before a magistrate, such person shall be released by the arresting
4 officer upon presentation of satisfactory evidence of identity and
5 giving his written promise to appear in court, as provided in
6 Section 853.6 of the Penal Code, and shall not be subjected to
7 booking.

8 (c) Except as authorized by law, every person who possesses
9 more than 28.5 grams of marijuana, other than concentrated
10 cannabis *and not including industrial hemp as defined in Section*
11 *11018.5*, shall be punished by imprisonment in the county jail for
12 a period of not more than six months or by a fine of not more
13 than five hundred dollars (\$500), or by both such fine and
14 imprisonment.

15 (d) Except as authorized by law, every person 18 years of age
16 or over who possesses not more than 28.5 grams of marijuana,
17 other than concentrated cannabis *and not including industrial*
hemp as defined in Section 11018.5, upon the grounds of, or
19 within, any school providing instruction in kindergarten or any of
20 grades 1 through 12 during hours the school is open for classes or
21 school-related programs is guilty of a misdemeanor and shall be
22 punished by a fine of not more than five hundred dollars (\$500),
23 or by imprisonment in the county jail for a period of not more
24 than 10 days, or both.

25 (e) Except as authorized by law, every person under the age of
26 18 who possesses not more than 28.5 grams of marijuana, other
27 than concentrated cannabis *and not including industrial hemp as*
defined in Section 11018.5, upon the grounds of, or within, any
29 school providing instruction in kindergarten or any of grades 1
30 through 12 during hours the school is open for classes or
31 school-related programs is guilty of a misdemeanor and shall be
32 subject to the following dispositions:

33 (1) A fine of not more than two hundred fifty dollars (\$250),
34 upon a finding that a first offense has been committed.

35 (2) A fine of not more than five hundred dollars (\$500), or
36 commitment to a juvenile hall, ranch, camp, forestry camp, or
37 secure juvenile home for a period of not more than 10 days, or
38 both, upon a finding that a second or subsequent offense has been
39 committed.

1 SEC. 5. *Section 11358 of the Health and Safety Code is*
2 *amended to read:*

3 11358. Every person who plants, cultivates, harvests, dries, or
4 processes any marijuana or any part thereof, *not including*
5 *industrial hemp as defined in Section 11018.5 and* except as
6 otherwise provided by law, shall be punished by imprisonment in
7 the state prison.

8 SEC. 6. *Section 11359 of the Health and Safety Code is*
9 *amended to read:*

10 11359. Every person who possesses for sale any marijuana,
11 *not including industrial hemp as defined in Section 11018.5 and*
12 except as otherwise provided by law, shall be punished by
13 imprisonment in the state prison.

14 SEC. 7. *Section 11360 of the Health and Safety Code is*
15 *amended to read:*

16 11360. (a) Except as otherwise provided by this section or as
17 authorized by law, every person who transports, imports into this
18 state, sells, furnishes, administers, or gives away, or offers to
19 transport, import into this state, sell, furnish, administer, or give
20 away, or attempts to import into this state or transport any
21 marijuana, *not including industrial hemp as defined in Section*
22 *11018.5,* shall be punished by imprisonment in the state prison
23 for a period of two, three or four years.

24 (b) Except as authorized by law, every person who gives
25 away, offers to give away, transports, offers to transport, or
26 attempts to transport not more than 28.5 grams of marijuana,
27 other than concentrated cannabis *and not including industrial*
28 *hemp as defined in Section 11018.5,* is guilty of a misdemeanor
29 and shall be punished by a fine of not more than one hundred
30 dollars (\$100). In any case in which a person is arrested for a
31 violation of this subdivision and does not demand to be taken
32 before a magistrate, such person shall be released by the arresting
33 officer upon presentation of satisfactory evidence of identity and
34 giving his written promise to appear in court, as provided in
35 Section 853.6 of the Penal Code, and shall not be subjected to
36 booking.

37 SEC. 8. *Section 11361 of the Health and Safety Code is*
38 *amended to read:*

39 11361. (a) Every person 18 years of age or over who hires,
40 employs, or uses a minor in unlawfully transporting, carrying,

1 selling, giving away, preparing for sale, or peddling any
2 marijuana, *not including industrial hemp as defined in Section*
3 *11018.5*, who unlawfully sells, or offers to sell, any marijuana,
4 *not including industrial hemp as defined in Section 11018.5*, to a
5 minor, or who furnishes, administers, or gives, or offers to
6 furnish, administer, or give any marijuana, *not including*
7 *industrial hemp as defined in Section 11018.5*, to a minor under
8 14 years of age, or who induces a minor to use marijuana, *not*
9 *including industrial hemp as defined in Section 11018.5*, in
10 violation of law shall be punished by imprisonment in the state
11 prison for a period of three, five, or seven years.

12 (b) Every person 18 years of age or over who furnishes,
13 administers, or gives, or offers to furnish, administer, or give, any
14 marijuana, *not including industrial hemp as defined in Section*
15 *11018.5*, to a minor 14 years of age or older shall be punished by
16 imprisonment in the state prison for a period of three, four, or
17 five years.

18 SEC. 9. *Section 11362.7 of the Health and Safety Code is*
19 *amended to read:*

20 11362.7. For purposes of this article, the following definitions
21 shall apply:

22 (a) “Attending physician” means an individual who possesses
23 a license in good standing to practice medicine or osteopathy
24 issued by the Medical Board of California or the Osteopathic
25 Medical Board of California and who has taken responsibility for
26 an aspect of the medical care, treatment, diagnosis, counseling, or
27 referral of a patient and who has conducted a medical
28 examination of that patient before recording in the patient’s
29 medical record the physician’s assessment of whether the patient
30 has a serious medical condition and whether the medical use of
31 marijuana is appropriate.

32 (b) “Department” means the State Department of Health
33 Services.

34 (c) “Person with an identification card” means an individual
35 who is a qualified patient who has applied for and received a
36 valid identification card pursuant to this article.

37 (d) “Primary caregiver” means the individual, designated by a
38 qualified patient or by a person with an identification card, who
39 has consistently assumed responsibility for the housing, health,

1 or safety of that patient or person, and may include any of the
2 following:

3 (1) In any case in which a qualified patient or person with an
4 identification card receives medical care or supportive services,
5 or both, from a clinic licensed pursuant to Chapter 1
6 (commencing with Section 1200) of Division 2, a health care
7 facility licensed pursuant to Chapter 2 (commencing with Section
8 1250) of Division 2, a residential care facility for persons with
9 chronic life-threatening illness licensed pursuant to Chapter 3.01
10 (commencing with Section 1568.01) of Division 2, a residential
11 care facility for the elderly licensed pursuant to Chapter 3.2
12 (commencing with Section 1569) of Division 2, a hospice, or a
13 home health agency licensed pursuant to Chapter 8 (commencing
14 with Section 1725) of Division 2, the owner or operator, or no
15 more than three employees who are designated by the owner or
16 operator, of the clinic, facility, hospice, or home health agency, if
17 designated as a primary caregiver by that qualified patient or
18 person with an identification card.

19 (2) An individual who has been designated as a primary
20 caregiver by more than one qualified patient or person with an
21 identification card, if every qualified patient or person with an
22 identification card who has designated that individual as a
23 primary caregiver resides in the same city or county as the
24 primary caregiver.

25 (3) An individual who has been designated as a primary
26 caregiver by a qualified patient or person with an identification
27 card who resides in a city or county other than that of the primary
28 caregiver, if the individual has not been designated as a primary
29 caregiver by any other qualified patient or person with an
30 identification card.

31 (e) A primary caregiver shall be at least 18 years of age, unless
32 the primary caregiver is the parent of a minor child who is a
33 qualified patient or a person with an identification card or the
34 primary caregiver is a person otherwise entitled to make medical
35 decisions under state law pursuant to Sections 6922, 7002, 7050,
36 or 7120 of the Family Code.

37 (f) “Qualified patient” means a person who is entitled to the
38 protections of Section 11362.5, but who does not have an
39 identification card issued pursuant to this article.

1 (g) “Identification card” means a document issued by the State
2 Department of Health Services that document identifies a person
3 authorized to engage in the medical use of marijuana and the
4 person’s designated primary caregiver, if any.

5 (h) “Serious medical condition” means all of the following
6 medical conditions:

7 (1) Acquired immune deficiency syndrome (AIDS).

8 (2) Anorexia.

9 (3) Arthritis.

10 (4) Cachexia.

11 (5) Cancer.

12 (6) Chronic pain.

13 (7) Glaucoma.

14 (8) Migraine.

15 (9) Persistent muscle spasms, including, but not limited to,
16 spasms associated with multiple sclerosis.

17 (10) Seizures, including, but not limited to, seizures associated
18 with epilepsy.

19 (11) Severe nausea.

20 (12) Any other chronic or persistent medical symptom that
21 either:

22 (A) Substantially limits the ability of the person to conduct
23 one or more major life activities as defined in the Americans with
24 Disabilities Act of 1990 (Public Law 101-336).

25 (B) If not alleviated, may cause serious harm to the patient’s
26 safety or physical or mental health.

27 (i) *“Marijuana” does not include industrial hemp as defined
28 in Section 11018.5.*

29 (j) “Written documentation” means accurate reproductions of
30 those portions of a patient’s medical records that have been
31 created by the attending physician, that contain the information
32 required by paragraph (2) of subdivision (a) of Section
33 11362.715, and that the patient may submit to a county health
34 department or the county’s designee as part of an application for
35 an identification card.

36 ~~SECTION 1. Division 26 (commencing with Section 81100)~~
37 is added to the Food and Agricultural Code, to read:

1 DIVISION 26. INDUSTRIAL HEMP
2

3 81100. Unless otherwise provided or the context otherwise
4 requires, the definitions in this section shall govern the
5 construction of this division:

6 (a) "Secretary" means the Secretary of Food and Agriculture,
7 or the secretary's designee.

8 (b) "Department" means the Department of Food and
9 Agriculture.

10 (c) "Industrial hemp" is generally an oilseed and fiber crop
11 that includes all parts and varieties of the plant Cannabis Sativa
12 L, having no more than three-tenths of one percent
13 tetrahydrocannabinol contained in its dried flowering tops; and
14 that is grown wholly within this state from instate seed stock
15 exclusively for the purpose of producing sterilized stalk, fiber,
16 and seed elements and products thereof.

17 (d) "Tetrahydrocannabinol" or "THC" means the natural or
18 synthetic equivalents of the substances contained in the plant, or
19 in the resinous extractives of, cannabis, or any synthetic
20 substances, compounds, salts, or derivatives of the plant or
21 chemicals and their isomers with similar chemical structure and
22 pharmacological activity.

23 81102. Any person desiring to grow industrial hemp for
24 commercial purposes shall comply with the following
25 requirements:

26 (a) (1) A person who grows industrial hemp shall file with the
27 Department of Food and Agriculture documentation indicating
28 that any seeds planted are of a type and variety that have no more
29 than three-tenths of one percent tetrahydrocannabinol, as
30 reported by a testing facility approved by the federal Drug
31 Enforcement Administration, and shall file a signed document
32 stating that a contract to grow industrial hemp has been entered
33 into. This document shall specify the number of acres and the
34 location of the crop, shall be made available for review by law
35 enforcement upon request, and shall not be required to be
36 disclosed under subdivision (k) of Section 6254 of the
37 Government Code pursuant to Section 6276.26 of the
38 Government Code.

39 (2) The department shall adopt rules that provide for the
40 testing of industrial hemp during its growth for

1 tetrahydrocannabinol levels and for the supervision of the crop
2 during its growth and harvest.

3 (b) A person who grows industrial hemp shall be prohibited
4 from removing from its operation any item or element other than
5 mature stalks, fiber, or viable seed for sale, distribution, or
6 introduction into the commerce of this state.

7 (c) A person who grows industrial hemp shall be prohibited
8 from selling or distributing the mature stalks, fiber, or viable seed
9 to anyone other than a primary processor licensed under this
10 division.

11 (d) A person who grows industrial hemp shall notify the
12 Department of Food and Agriculture regarding the sale or
13 distribution of any industrial hemp seed or stalk grown by the
14 person, and shall disclose the name of any licensed primary
15 processor to whom viable hemp seed has been sold or distributed.

16 (e) The Department of Food and Agriculture may contract
17 with county agricultural commissioners for their services.

18 81104. (a) Any person desiring to operate as a primary
19 processor of viable hemp seed into commercial nonviable seed
20 derivatives shall apply to the Department of Food and
21 Agriculture for a license on a form prescribed by the department.

22 (b) The department shall adopt regulations establishing criteria
23 for the issuance of licenses, which criteria shall include, but need
24 not be limited to, the following:

25 (1) Permitholders are not authorized to sell or trade viable
26 hemp seed outside the State of California.

27 (2) Licenses shall be subject to renewal after two years.

28 (3) No person with a prior criminal conviction shall be eligible
29 for a license.

30 81106. Each person licensed as a primary processor shall
31 comply with the following requirements:

32 (a) The licensee shall render each seed into a nonviable seed
33 derivative, including, but not limited to, oil, nut, or powder.

34 (b) The licensee shall test the tetrahydrocannabinol (THC)
35 levels of any derivative product using a laboratory registered
36 with the federal Drug Enforcement Administration and shall
37 report the results of those tests to the Department of Food and
38 Agriculture, in a form and on a schedule set forth in regulations
39 adopted by the department.

1 (1) In every case, for hemp oil products grown in this state, the
2 trace tetrahydrocannabinol content shall not exceed more than
3 five parts per million (ppm) of tetrahydrocannabinol.

4 (2) In every case, for hemp nut products grown in this state,
5 the trace tetrahydrocannabinol content shall not exceed more
6 than 1.5 parts per million (ppm) of tetrahydrocannabinol.

7 81108. To provide sufficient funds to pay all costs associated
8 with monitoring and testing in the state, the Department of Food
9 and Agriculture shall assess each applicant a fee in an amount
10 determined by the department to cover those costs.

11 81110. The University of California shall be authorized to
12 conduct research relating to the production and processing of
13 industrial hemp, as follows:

14 (a) One of the purposes of the research shall be the
15 development and dissemination of technology important to the
16 production and utilization of commercial crop and livestock
17 enterprises.

18 (b) The research shall provide for the enhancement of the
19 quality of life, sustainability of production, and protection of the
20 environment.

21 (c) As a part of this research, the university may collect feral
22 hemp seed stock and develop appropriate adapted strains of
23 industrial hemp which contain less than three-tenths of one
24 percent tetrahydrocannabinol in the dried flowering tops.

25 (d) The university shall report its findings to the Department
26 of Food and Agriculture.

27 SEC. 2. Section 6276.26 of the Government Code is amended
28 to read:

29 6276.26. Improper obtaining or distributing of information
30 from Department of Motor Vehicles, Sections 1808.46 and
31 1808.47, Vehicle Code.

32 Improper governmental activities reporting, confidentiality of
33 identity of person providing information, Section 8547.5,
34 Government Code.

35 Improper governmental activities reporting, disclosure of
36 information, Section 8547.6, Government Code.

37 Industrial accident reports, confidentiality of information,
38 Section 129, Labor Code.

39 Industrial hemp, confidentiality of proprietary information in
40 signed documents, Section 81102, Food and Agricultural Code.

1 Industrial loan companies, confidentiality of financial
2 information, Section 18496, Financial Code.
3 Industrial loan companies, confidentiality of investigation and
4 examination reports, Section 18394, Financial Code.
5 In forma pauperis litigant, rules governing confidentiality of
6 financial information, Section 68511.3, Government Code.
7 Initiative, referendum, recall, and other petitions,
8 confidentiality of names of signers, Section 6253.5, Government
9 Code.
10 Inspector General, Youth and Adult Correctional Agency,
11 confidentiality of records of employee interviews, Section 6127,
12 Penal Code.
13 Insurance claims analysis, confidentiality of information,
14 Section 1875.16, Insurance Code.
15 Insurance Commissioner, confidential information, Sections
16 735.5, 1077.3, and 12919, Insurance Code.
17 Insurance Commissioner, informal conciliation of complaints,
18 confidential communications, Section 1858.02, Insurance Code.
19 Insurance Commissioner, information from examination or
20 investigation, confidentiality of, Sections 1215.7, 1433, and
21 1759.3, Insurance Code.
22 Insurance Commissioner, report to Legislature, confidential
23 information, Section 12961, Insurance Code.
24 Insurance Commissioner, writings filed with nondisclosure,
25 Section 855, Insurance Code.
26 Insurance fraud reporting, information acquired not part of
27 public record, Section 1873.1, Insurance Code.
28 Insurance Holding Company System Regulatory Act,
29 examinations, Section 1215.7, Insurance Code.
30 Insurance licensee, confidential information, Section 1666.5,
31 Insurance Code.
32 Insurer application information, confidentiality of, Section
33 925.3, Insurance Code.
34 Insurer financial analysis ratios and examination synopses,
35 confidentiality of, Section 933, Insurance Code.
36 Insurer, request for examination of, confidentiality of, Section
37 1067.11, Insurance Code.
38 Integrated Waste Management Board information, prohibition
39 against disclosure, Section 45982, Revenue and Taxation Code.

1 Intervention in regulatory and ratemaking proceedings, audit of
2 customer seeking and award, Section 1804, Public Utilities Code.
3 Investigative consumer reporting agency, limitations on
4 furnishing an investigative consumer report, Section 1786.12,
5 Civil Code.

6 SEC. 3. 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
11 penalty for a crime or infraction, within the meaning of Section
12 17556 of the Government Code, or changes the definition of a
13 crime within the meaning of Section 6 of Article XIII B of the
14 California Constitution.