

Department of Planning and Budget 2017 Fiscal Impact Statement

1. **Bill Number:** SB1306

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. **Patron:** Vogel

3. **Committee:** Agriculture, Conservation and Natural Resources

4. **Title:** Industrial hemp; license.

5. **Summary:** This bill amends the Virginia Industrial Hemp Law (Law) (§ 3.2-4112 et seq., Code of Virginia) to create new provisions pertaining to the industrial hemp grower license for an individual who is growing hemp for a lawful purpose other than as part of the industrial hemp research program. The bill amends the term “grower,” to include any person licensed to grow hemp for any lawful purpose. The bill reduces the licensure fee for individuals who are not growing hemp as part of the industrial hemp research program from \$250 to \$100 and increases the duration of the license from four to five years. The bill also decreases the amount of time within which the Commissioner of Agriculture and Consumer Services (Commissioner) must issue a license from 90 to 60 days, and the bill requires that all fees collected by the Commissioner be deposited in the State Treasury.

6. **Budget Amendment Necessary:** No.

7. **Fiscal Impact Estimates:** Indeterminate. See item 8.

8. **Fiscal Implications:** This bill will not have an immediate fiscal impact on the Department of Agriculture and Consumer Services, as the federal law has not expanded the lawful purposes for which industrial hemp may be grown. At this time, federal law allows universities and state departments of agriculture to grow or cultivate hemp for certain research purposes. However, at such time that the lawful purposes for which industrial hemp may be grown is expanded, it is anticipated that VDACS may require additional resources to ensure that licenses are issued within the required 60 days of application. The bill also requires that a licensed grower notify the Commissioner, through a website or paper form provided by the Commissioner, of each specific location where industrial hemp will be grown at least seven days before cultivation. If the number of growers is significant, the agency may need to develop and support a new web application; the related development and administrative costs are indeterminate at this time. Currently, fees collected for industrial hemp research licenses are deposited to the general fund. Revenue resulting from this bill cannot be determined at this time.

9. **Specific Agency or Political Subdivisions Affected:** Department of Agriculture and Consumer Services.

10. Technical Amendment Necessary: The bill may need to delete “or a grower licensed pursuant to § 3.2-4117” in § 3.2-4113, Code of Virginia, which is a section this bill does not amend, as the definition of “grower” proposed by this bill would now include any person licensed pursuant to § 3.2-4117, Code of Virginia.

11. Other Comments: None.