



PATRICK TESTIN

STATE SENATOR

DATE: May 30, 2019
RE: **Testimony on 2019 Senate Bill 188**
TO: The Senate Committee on Agriculture, Revenue, and Financial Institutions
FROM: Senator Patrick Testin

Thank you Chairman Marklein and members for hearing my testimony on Senate Bill 188 (SB 188) – the Growing Opportunities Act.

Less than two years ago, there was no hemp industry in Wisconsin – and there hadn't been one in six decades. However, with the unanimous passage of the Farm Freedom Act, we reintroduced hemp cultivation to the state – and with it came opportunity – for farmers, processors, retailers, and consumers.

The pilot program that we created was first made possible by the 2014 federal Farm Bill, which enabled states to create such programs for the purpose of research into hemp. Participation in the first year of the pilot program exceeded expectations, with around 250 growers and 100 processors receiving licenses from our Department of Agriculture, Trade, and Consumer Protection (DATCP).

This year, Wisconsin's hemp program took another big step forward. Despite a wet and difficult growing season in 2018, DATCP received more than 1,400 applications for growing licenses and over 700 applications for processor's licenses earlier this year. Hemp is truly Wisconsin's comeback crop.

Now, following the December passage of the 2018 federal Farm Bill, we have the opportunity to make changes to ensure the continued success of hemp in Wisconsin. The Farm Bill removed hemp as a schedule 1 controlled substance, and set up an outline for states to either continue to manage their own programs or transition to a federal program that will be set up and run by the United States Department of Agriculture (USDA).

The Growing Opportunities Act creates a framework for DATCP to transition our pilot program to a permanent program that will remain controlled right here in Wisconsin. In the bill's twenty-seven pages we make several changes to conform to new federal definitions, clarify the verbiage of our state's Lydia's Law (without changing intent), institute a truth in labeling provision for hemp products, and incorporate suggestions made by farmers and processors who were part of our program in 2018.

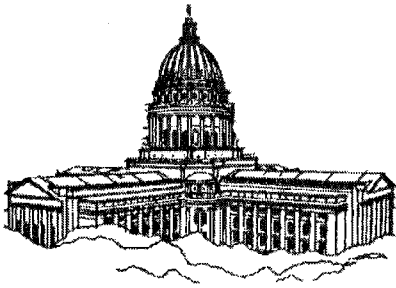
While this legislation does make necessary changes, many things do remain the same. In conformance with federal law, hemp is still defined as having less than 0.3% THC content. Growers still have to work with DATCP to ensure that the crop remain under that level, and we codify their ability to work with DATCP should reconditioning need to take place.

This legislation has been a collaborative effort, and it is bi-partisan, with thirty-one total sponsors. Throughout this process we've gathered input from DATCP, the Wisconsin Farm Bureau Federation, the Wisconsin Hemp Alliance, the Wisconsin Farmers Union, the Wisconsin Hemp Farmers and Manufacturers Association, the Wisconsin Bankers Association, the Wisconsin Restaurant Association, the Wisconsin Credit Union League, the Office of the Attorney General, the Office of the State Treasurer, the Badger State Sheriff's Association, and the Wisconsin Chiefs of Police Association. I also feel I need to mention the work of our Legislative Council and Legislative Reference Bureau attorneys, who have put in hundreds of hours working to craft this bill with our offices.

Though we agree on many things, we are still in the process of working through one provision with law enforcement. Currently, under Wisconsin's two track OWI law a person could be consuming legal, non-intoxicating CBD oil and be found guilty of operating while intoxicated simply due to the presence of a small amount of THC in the blood stream. SB 188 as it is currently written would change our law to conform to 32 other states in making intoxication the single standard by which we convict someone for OWI while under the influence of THC. As we continue to work with law enforcement, our desire is to arrive at an agreement that protects consumers of a legal, non-intoxicating product, while giving police clear direction and maintaining the safety of our roads.

Our goal with the Growing Opportunity Act is, of course, to grow opportunity – and we aim to do that by creating confidence; confidence in the farmers and processors who have a clear set of expectations, confidence in retailers who stock products protected by our truth in labeling laws, and confidence in the consumer who wants to know that they are utilizing the product that they paid for.

I hope you'll join me in supporting small farmers, small business owners, and new opportunities. Please join me in supporting SB 188.



LENA C. TAYLOR

Wisconsin State Senator • 4th District

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Senate Committee on Agriculture, Revenue and Financial Institutions

Public Hearing SB 188

Testimony of State Senator Lena C. Taylor

May 30, 2019

Chairman Marklein, Vice-Chair Petrowski, and Members of the Committee, thank you for providing me the opportunity to submit written testimony on Senate Bill 188, relating to regulating hemp, providing an exemption from emergency rule procedures, granting rule-making authority, and making an appropriation.

Colleagues, for all intents and purposes AB 188 is a clean-up bill. As with any legislation, there are unintended consequences and loopholes that have to be addressed to bring both clarity and compliance. In this case, we need to ensure that there are changes to current law that are consistent with the 2018 federal farm bill.

Of immediate concern to me is correcting the language in current law that would criminalize Wisconsin farmers that participate in certain aspects of the Hemp industry. This bill removes or clarifies questions about THC content and legal thresholds regarding marijuana.

Second, the bill provides critical technical fixes regarding DATCP and their authority. Whether looking at their role as the primary regulators of hemp cultivation, the bill provides DATCP the needed tools and equipment for the purpose of effective oversight.

As we are reacclimating our state to the production of Hemp, it will be critical to continue to review state laws. However, SB 188 is a great start and I encourage your support of this bill. Thank you for your attention.



TONY KURTZ

STATE REPRESENTATIVE • 50th ASSEMBLY DISTRICT

2019 Senate Bill 188

May 30, 2019

Senate Committee on Agriculture, Revenue, and Financial Institutions

Relating to: regulating hemp, providing an exemption from emergency rule procedures, granting rule-making authority, and making an appropriation.

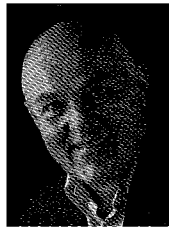
Thank you, Chairman Marklein for holding a public hearing on Senate Bill 188 (SB 188) today and thank you to members of the committee for taking my testimony on this bill today as well.

To provide a brief historical overview, Wisconsin became a leader in hemp production during World War II, as hemp fiber was a main source for rope. Soon after, hemp became outlawed by the federal government as it was lumped in with its cousin marijuana as a controlled substance. Recently, though, hemp was completely de-scheduled by the federal farm bill of 2018. Last session, Wisconsin passed a pilot program to re-introduce the legal cultivation of hemp in our state and I happened to be one of the individuals who received a license for growing hemp under that program.

Senate Bill 188 provides an opportunity for Wisconsin to become a leader in hemp once again, and much of that is in thanks to the 2018 Federal Farm Bill. On December 20, 2018, President Trump signed the federal farm bill, now act, which legalized industrial hemp and allowed for hemp producers to become eligible for federal crop insurance. It is important to stress that hemp now is a LEGAL substance. This reassurance from the federal government has helped to foster a robust influx of applicants for the Wisconsin pilot program. This bill, SB 188, also mirrors the federal bill and provides a consistent definition of hemp as "Cannabis sativa L with 0.3% delta-9-tetrahydrocannabinol (THC) concentration or less." Finally, the federal bill allows for states to either create their own program regarding hemp or to relinquish that responsibility and allow the federal government to oversee a hemp program in that state - if we do not create our own program, we are at the mercy of the federal government and its program.

At a time when farmers are facing difficulties on many fronts, the introduction of hemp would allow for diversification of crops. Hemp is gaining in popularity for various uses, especially in the CBD oil arena. Hemp can also be used for a vast array of products ranging from fiber to plastic to food and clothing. SB 188 would allow Wisconsin to build upon our pilot program and make hemp a permanent crop here in our state.

Thank you again for the opportunity to present my testimony on SB 188, the Growing Opportunities Act.



STATE CAPITOL PO Box 8952, Madison, WI 53708
PHONE (608) 266-7746 TOLL-FREE (888) 534-0081
EMAIL Rep.Considine@legis.wisconsin.gov
WEB <http://legis.wisconsin.gov/assembly/81/considine>

To: Senate Committee on Agriculture, Revenue and Financial Institutions
From: Representative Dave Considine
Re: Testimony on Senate Bill 188
Date: May 30, 2019

Chairperson Marklein, Vice-Chair Petrowski, and committee members, thank you for holding a public hearing today on Senate Bill 188. I appreciate the opportunity to testify in support of this legislation, and I'm grateful for your willingness to listen.

Simply put, Senate Bill 188 will align our state with the 2018 Farm Bill regulations for growing and processing hemp. This ensures that our state retains control of our growing hemp industry. Wisconsin's agricultural industry once thrived on hemp production. I believe that controlling our own hemp industry is the best way to ensure that the hemp industry is available and viable for Wisconsin's farmers and agribusinesses once again.

An important part of the industry is payment for product. Senate Bill 188 requires contracts to pay hemp growers within 7 days of receiving hemp, which will increase confidence of farmers and financiers across the state. Another way this bill encourages success is through the reconditioning window that the Department of Agriculture, Trade, and Consumer Protection will oversee. This provision will permit producers to recondition their hemp crop to a permissible level of THC, which will allow more stability in the market for both manufacturers and producers. Senate Bill 188 also lowers license fees for those growing hemp for research and noncommercial purposes, so that Wisconsin may once again be on the forefront of innovation with hemp production, growth, and use.

In the midst of divided government and turbulent times on the farm, we need to work together. I know that hemp is a great opportunity to do this. Growing our economy is a goal we can all support, and that's exactly what this bill will do.

I look forward to feedback from the committee and members of the public today, and I thank you for your time and attention. Please let me know if you have any questions or concerns.

Dave Considine

Wisconsin Chiefs of Police Association, Inc.

River Ridge – 1141 South Main Street, Shawano, Wisconsin 54166 • Telephone (715) 524-8283

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Removing THC from the restricted controlled substance list is an unsafe proposition thrown into the bill to address the issue of potential OWIs following the consumption of hemp or hemp products. There must be a better way to reconcile this issue.

Additionally, we have received calls from Wisconsin employers concerned about this measure. Zero tolerance drug policies are common throughout the state. If THC is considered legal in amounts contained in hemp, or as a drug in your system while driving, would these policies be enforceable? How does one determine the difference between an illicit drug user and a law-abiding citizen if the psychoactive substance in both instances is one and the same?

We have asked Senator Testin to remove this language from the bill and pursue a separate bill. It is not appropriate to include such a drastic measure in a DATCP bill relating to the production of hemp. We have also asked him to vet this policy by working with law enforcement, the Department of Transportation, the Department of Justice, and other public safety professionals. Should this over-compensatory language be removed from the bill, the WCPA would be interested in supporting the passage of this bill. We welcome the opportunity to work with Senator Testin and other supporters of this provision to come up with solutions that could balance the needs of consumers of hemp and the needs of the general public who also use our highways, as well as many employers throughout the state.

Law Enforcement Officers are the first responders not only to crime scenes, but to all of society. We see the immediate effects of new legislation every day. Across Wisconsin we experience the consequences of both good and bad decisions made right here in this great capital, in real time throughout all our communities. Every hour, every minute, and every second of the day, officers are helping a family or fellow citizen in crisis. Our concern comes from first-hand experience, not philosophy or theory. I stand before you today with immense passion and concern for the negative impact of this bill, if it were to pass in its current form.

If Wisconsin is to follow a handful of states before us, let us learn from their mistakes, take our time, and be responsible. In dealing with hemp and marijuana, we are not the first, and will not be the last, but we certainly have an opportunity to be the best. For those states that come after us, let us be the leader and model for them.

To reiterate- law enforcement has a duty to protect and serve our communities. Allowing a psychoactive substance to be legal while driving goes against what is best for the citizens of Wisconsin. Therefore, we cannot support this bill in current form, but we welcome the opportunity to support this bill if that provision was removed.

Thank you in advance for your consideration.

Plover Chief of Police Dan Ault, WCPA

Wisconsin Chiefs of Police Association, Inc.

River Ridge – 1141 South Main Street, Shawano, Wisconsin 54166 • Telephone (715) 524-8283

Sean M. Marschke
President
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May 30, 2019

To: Chairman Marklein and the Committee on Agriculture, Revenue and Financial Institutions
From: Plover Chief of Police Dan Ault, on behalf of the Wisconsin Chiefs of Police Association
Re: Oppose SB188 With Current Language Unless Amended

Thank you, Chairman Marklein, and thank you to the rest of the committee for allowing me to share testimony today. My name is Dan Ault, and I am the Chief of Police in Plover, Wisconsin. I am here today representing the Wisconsin Chiefs of Police Association (WCPA), an organization that represents top law enforcement officials from over 700 communities throughout Wisconsin. We seek policies that ensure the safety of all citizens, and the well-being of men and women who wear a badge, offering endless dedication to protect and serve our communities.

Senate Bill 188 is a bill that we have been closely following since it was introduced. We appreciate the ongoing dialogue with Senator Testin, the lead author of the bill, and the willingness to work with law enforcement on public policy issues that impact both how the men and women who wear a badge face daily challenges, and the safety of the citizens of Wisconsin.

We recognize that hemp is a growing industry both in Wisconsin and nationwide. The WCPA has no inherent bias against hemp. It is not an illicit drug and poses no safety risks in itself. We also recognize the differences in buying a product like CBD oil, medical marijuana, or illegal marijuana.

We are aware that the number of permits the Department of Agriculture, Trade and Consumer Protection (DATCP) will issue to hemp growers this year has dramatically increased, and that we can expect to see this industry continue to grow. We support the provisions within the bill that allow DATCP to regulate the production and transportation of hemp products.

However, the Wisconsin Chiefs of Police Association oppose a late addition into the bill: the removal of THC as a restricted controlled substance as applicable to the operation of a motor vehicle, an all-terrain vehicle, a utility terrain vehicle, an off-highway motorcycle, a snowmobile, a motorboat, and the handling of a firearm. The removal of THC, the psychoactive compound found primarily in marijuana, from this list would legalize driving high in Wisconsin. It would not matter how you ingest the THC, whether through hemp, medical marijuana or illegal marijuana. Effectively legalizing driving high is unacceptable in the state of Wisconsin.

We have a duty to protect the safety of each citizen and allowing the unabated consumption of drugs before barreling down the highway at high speeds is a disservice to the other unaware and vulnerable drivers, not to mention bicyclists, pedestrians, and law enforcement officers on the road. While some may consider CBD safe, the effects of THC on driving capability and safety have been thoroughly condemned through extensive scientific research. There is absolutely no debate on the safety of driving while high.

Senate Committee on Agriculture, Revenue and Financial Institutions
May 30, 2019
Testimony on Senate Bill 188
The Growing Opportunities Act

Good afternoon Chairman Marklein and members of the committee –

Thank you for the opportunity to testify before you today. My name is Karen Gefvert and I am the Executive Director of Governmental Relations for the Wisconsin Farm Bureau Federation (WFBF). I am here to submit WFBF's support for Senate Bill 188, The Growing Opportunities Act, relating to updates necessary to implement additional opportunities provided under the 2018 Farm Bill and others discovered during the inaugural year of the Wisconsin hemp pilot program.

Wisconsin Farm Bureau's state policy reads as follows, "We support the production, processing, commercialization and utilization of industrial hemp and that it be regulated by USDA rather than the Drug Enforcement Administration (DEA)." This policy position mirrors the American Farm Bureau's policy language.

WFBF was actively engaged in working with the bill authors to support passage of 2017 Wisconsin Act 100 which established a research pilot program for farmers to grow and process hemp in Wisconsin for the 2018 and 2019 growing seasons. Initial interest from farmers resulted in 250 approved grower licenses from the Department of Agriculture Trade and Consumer Protection (DATCP) in 2018 and approximately 1,500 applications for the 2019 growing season.

With the passage of the 2018 Farm Bill, there are new opportunities for farmers to grow hemp if states decide to create state specific plans with approval from USDA. One of the major hurdles holding farmers and processors back that was addressed with the passage of the 2018 Farm Bill was the removal of hemp from the Federal Controlled Substances List. The second major hurdle addressed was that the 2018 Farm Bill legalizes the interstate commerce of hemp and hemp byproduct.

The Growing Opportunities Act creates the necessary pathway for the transition from the hemp pilot program to a permanent state program under the direction of DATCP. DATCP will have the ability to establish procedures for maintaining information relating to hemp production, testing THC concentrations in hemp, disposing of noncompliant hemp plants, complying with enforcement provisions and conducting annual inspections of hemp producers.

The bill redefines hemp to be any part of the plant, whether growing or not, that contains 0.3% or less THC. This revised definition mirrors the new federal definition. In addition, there is clarification that THC from hemp that is in any hemp product is not a Schedule I controlled substance as long as the level of the THC in the product is below the legal threshold. Again, this mirrors federal law.

There are requirements of growers to notify DATCP of the varieties they intend to plant to ensure they have been certified for growing in Wisconsin. The bill addresses violations of the program, establishes contract requirements between growers and processors and prohibits mislabeling hemp or a hemp-derived product to ensure safe and accurate labeling of products.

This bill is an important step in moving Wisconsin's hemp industry forward and aligning more closely with the growing, processing and labeling standards set in the 2018 Farm Bill.

WFBF respectfully requests that you support Senate Bill 188.



To: Members, Senate Committee on Agriculture, Revenue and Financial Institutions
From: Steven R. Krejci - Wisconsin Drug Recognition Expert & Standardized Field Sobriety Testing Program State Coordinator (DRE/SFST)
Date: May 28, 2019
RE: **Senate Bill 188 Testimony for Information Only**

I submit these comments for information only regarding the provisions in Senate Bill 188 which would remove delta-9-THC from the definition of restricted controlled substance as applicable to the operation of a motor vehicle (as well as snowmobile, ATV/UTV/OHM, boat and use of a firearm).

Drugged driving and drug-related crashes, deaths, and injuries continue to occur at an alarming rate and successful prosecution of impaired driving incidents is a necessary component of the efforts to decrease roadway injuries and deaths. Numerous scientific studies have concluded that operating under the influence of THC increases the risk of injury and death and that there is no minimum blood THC concentration below which a driver can be considered unaffected after recent consumption of cannabis products. Since the studies have failed to identify a per se threshold level of THC at which a person would be unsafe to drive, delta-9-tetrahydrocannabinol should remain a restricted controlled substance.

Senate Bill 188 seeks to protect legal users of hemp and CBD products from prosecution of certain offenses, but operating under the influence should not be one of them. We should be protecting the victims of OWI, not the offenders who uses the lack of strong legislation to get away with injuring or killing people by abusing marijuana. Removing delta-9-tetrahydrocannabinol from the list of restricted controlled substances is not necessary in order to protect legal users of hemp and CBD products because current law already allows for an affirmative defense for those with a valid prescription. The psychoactive and impairing effects of THC are not the same as alcohol or other drugs. The rapid departure of THC from the blood poses significant challenges to the use of forensic samples to represent the driver's state at the time of driving. Studies have shown that if blood was drawn 20-minutes after smoking a substance containing 1.75% delta-9-THC, the lab would detect zero delta-9-THC. At any concentration lower than 1.75% it would be eliminated even quicker and would never register on a blood test at all.

The legalization of hemp and CBD products may result in more people having delta-9-tetrahydrocannabinol in their system while driving, but the concentration of THC in these

products is at a level without a psychoactive effect. Therefore a legal user of these products would exhibit no suspicion of intoxication to even justify a blood test. On the other hand, there will be more illegal users of marijuana that will claim immunity from prosecution in OWI offenses unless delta-9-tetrahydrocannabinol remains a restricted controlled substance.

I appreciate the opportunity to share this information with the committee. I'd be happy to answer any question you may have. Thank you.



To: Members, Senate Committee on Agriculture, Revenue and Financial Institutions
From: Badger State Sheriffs' Association (BSSA)
Wisconsin Sheriffs and Deputy Sheriffs Association (WS&DSA)
Date: May 30, 2019
RE: Opposition to Provisions in Senate Bill 188

Badger State Sheriffs' Association (BSSA) and Wisconsin Sheriffs and Deputy Sheriffs Association (WS&DSA) submit these comments in opposition to the provisions in Senate Bill 188 which remove delta-9 THC from the definition of restricted controlled substance as applicable to the operation of a motor vehicle (as well as snowmobile, ATV/UTV/OHM, boat and use of a firearm). Removing delta-9 THC from the definition of restricted controlled substance legalizes driving high in Wisconsin. This change has far-reaching consequences and appears to be outside of the purpose of this legislation focusing on industrial hemp.

The psychoactive and impairing effects of THC are not the same as alcohol or other drugs. Similar to other prescription drugs, it is not possible to establish a THC limit for when someone can no longer drive safely. Just as it is for any other prescription drug, driving under the influence of THC should remain against the law, regardless of the level detected in the blood.

Removing delta-9 THC from the restricted controlled substance definition eliminates the ability to prosecute individuals who are driving with delta-9 THC in their blood in a car, boat, ATV/UTV/OHM or snowmobile. Furthermore, the results of a chemical test where THC is found would be inadmissible at trial. While the legislation leaves the "under the influence" test, there are cases, like a car accident, where influence can't be proven, and a blood test is necessary.

Our organizations respectfully request the problematic provisions cited above are removed from this legislation and keep the current statutes that provide for an affirmative defensive for those with a valid prescription for delta-9 THC.



State of Wisconsin
Governor Tony Evers

Department of Agriculture, Trade and Consumer Protection
Bradley M. Pfaff, Secretary

May 30, 2019

Dear Senator Marklein and Members of the Senate Committee on Agriculture, Revenue, and Financial Institutions:

Thank you for the opportunity to submit comments from the Department of Agriculture, Trade and Consumer Protection (DATCP) in support of SB 188 relating to the production of hemp. At DATCP, we are charged with a number of duties and responsibilities: to encourage the production of hemp as a regulated crop, oversee the processing of hemp products, regulate the use of hemp products as food (for both humans and animals), and protect consumers from false advertising and other confusing or misleading claims. As such, the hemp program touches on five of the six divisions within our Department. We share the enthusiasm of many of our constituents for the possibilities that hemp presents as a new crop for the State of Wisconsin, but we are also charged with ensuring that hemp and hemp products comply with the law. We have appreciated the opportunity to work with the authors of this bill on helping to improve the certainty associated with the hemp program, while also recognizing that federal agencies, including the United States Department of Agriculture (USDA) and the Food and Drug Administration (FDA), have ultimate authority over aspects of this program and have yet to provide us clear guidance on portions of the program. We support this bill as a means to correct and clarify language to better align our statutory language with the hemp provisions altered by the 2018 Farm Bill, address issues of uncertainty from the first legislation authorizing hemp production in the state, and provide sufficient flexibility to respond to a changing federal landscape and an emerging industry.

First, let's focus on the enthusiasm in Wisconsin for hemp, starting at the first part of DATCP's program: Licensing. 2019 marks only the second season in which hemp may be legally grown in Wisconsin, so our experience is based on only a single full season, and where we've gotten so far this year. In 2018, we received 347 total applications for licenses for hemp growers and processors. Of these, we issued 100 processor licenses, and 247 grower licenses. We know that 135 growers planted crops, resulting in approximately 1,850 acres outdoor and 22 acres in a greenhouse. For 2019, we received 2,227 total applications, and we have issued 618 processor licenses, and 1,308 grower licenses. We will not know how much hemp is actually planted until mid-July. Growers must submit their planting reports by July 1st for the 2019 season.

Second, let's discuss the challenges. Hemp was only just removed from the list of controlled substances in December of 2018. Prior to the passage of the 2018 Farm Bill, hemp was still considered a controlled substance, and the production of hemp was only legal if conducted under the 2014 Farm Bill industrial hemp pilot authority. This industrial hemp pilot authority was authorized in Wisconsin under 2017 Wis. Act 100, and has been the basis under which both the 2018 and 2019 seasons were conducted. However, the 2018 Farm Bill authorized the USDA to develop a program through which states could submit plans for how they will operate their hemp programs. SB 188 anticipates the submittal of this state plan, and is intended to give DATCP the flexibility to seek this approval as soon as USDA has released the guidelines for that program. We are still awaiting that guidance from the federal government, but note that the 2014 Farm Bill industrial hemp pilot authority will expire one year after USDA takes action to establish its program. SB 188 authorizes DATCP to develop this state plan and submit it to USDA for approval, and the federal authority for the existing hemp program will expire one year after the USDA takes this action. In addition, under

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current law and under any USDA-approved state plan, DATCP will have the responsibility to determine whether a person wishing to produce hemp who has any federal or state felony convictions relating to controlled substances would be ineligible to produce hemp under subtitle G of the 2018 Farm Bill. DATCP would require additional statutory authority to access FBI records to check for felony convictions outside of Wisconsin.

Third, we await federal clarification on the legal status of cannabidiol, or CBD as a lawful human or animal food ingredient. The 2018 Farm Bill expressly fails to modify or affect the authority of the Secretary of Health and Human Services or the Commissioner of Food and Drugs under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. s. 301 et seq.) and section 351 of the Public Health Service Act (42 U.S.C. s. 262). Only the Health and Human Services Secretary and the FDA Commissioner have the authority to promulgate rules regarding the use of hemp in food and drug products. They have not yet provided these rules, but as the regulatory agency that oversees food safety, DATCP will be looking carefully at how these federal regulations interact with SB 188.

Fourth, staffing continues to be a challenge at DATCP. Over the last year, our staff have fielded thousands of inquiries from constituents interested in growing or processing hemp in the state, and are still averaging about 40 contacts a day. We currently employ two full time staff and three limited term employees (LTEs) dedicated exclusively to the hemp program, but over the last year, the work performed on just this part of the hemp program has been conservatively estimated to be equivalent to eight full-time employees. This bill is working in parallel with what the Governor has proposed to authorize 3 additional positions (i.e., replace the LTEs with FTEs). The workload associated with the hemp program would support the addition of seven new FTEs (i.e., three additional positions proposed by this bill and mirrored in the Governor's budget, and four additional positions not previously requested.) If the staff and equipment resources proposed in the Governor's budget or this bill are not included, DATCP staff will not be able to keep up with the burgeoning hemp industry in Wisconsin. The additional four staff described in this testimony would help DATCP respond more quickly and efficiently to program needs.

Finally, we support SB 188, and appreciate the work that the legislature has provided in helping to ensure that DATCP has the authority and resources necessary to respond quickly and effectively to the changing regulations promulgated by the federal government. SB 188 is an important step to ensure that DATCP can submit a state plan that will be required to ensure that we retain the ability to nurture the emerging hemp industry. We continue to closely monitor federal activities, and hope to continue the productive relationship with the legislature in the event that federal action necessitates further legislative action necessary to continue promoting the production of hemp in Wisconsin.

I've attached brief descriptions of the positions potentially authorized by this bill (which mirrors the Governor's executive budget), as well as those identified as necessary to sustain and grow the program.

Sincerely,



Angela James

Assistant Deputy Secretary

Wisconsin Department of Agriculture, Trade and Consumer Protection

Identified Hemp Resource Needs at DATCP (+500% increase in license applications)

4.0 additional FTEs required for additional program workload (Total Annual Cost: \$307,039.9)

- **1.0 FTE Regulatory Specialist** - Investigator/Inspector – this position will be focused on field inspection work. Duties will include site visits, regulatory follow-up and documenting field destruction. During peak times this position will assist in collecting field samples when necessary. (\$70,076.91)
- **1.0 FTE License Permit Program Associate** – this position is a second licensing position and will perform a variety of license and permit functions, including processing licensing paperwork and explaining licensing requirements to growers, processors, and others interested in the program. This position will conduct hemp license modifications and other administrative program activities including database work and tabulating, analyzing and summarizing grower reports and other program data. (\$64,359.25)
- **1.0 FTE Program and Policy Analyst Adv.** – this position will be responsible for writing and updating DATCP's administrative rules related to hemp, as well as monitor state and federal policies as they relate to the state's hemp program. This position will also serve as a subject matter expert as licensees, prospective licensees and the general public have questions related to hemp laws. (\$86,301.87)
- **1.0 FTE Chemist Sr.** -- This position will be located in the Bureau of Laboratory Services and will be responsible for conducting hemp program regulatory testing. (\$86,301.87)

3.0 FTEs included in SB188/Governor's budget (Fiscal Analysis Included in Both)

- **1.0 GPR FTE License and Permit Program Associate (Hemp LPPA):** This position will perform a variety of license and permit functions, including processing licensing paperwork and explaining licensing requirements to growers, processors, and others interested in the program. The LPPA will assist the hemp program manager and the regulatory specialist with program reporting, sampling and compliance functions.
- **1.0 GPR FTE Plant Pest and Disease Specialist – Advanced (Hemp field lead):** This position will be the field lead for the hemp program, organizing the inspection, investigation and sampling aspects of the program, providing grower outreach and working in coordination with the hemp program manager, the regulatory specialist and the LPPA on program compliance.
- **1.0 GPR FTE Chemist Supervisor:** This position will be located in the Bureau of Laboratory Services and will be responsible for managing the hemp unit at the laboratory and providing the required QA/QC review of all hemp results related to regulatory testing. This position is also responsible for performing hemp regulatory testing.

Additional Equipment Required for Testing and Verifying THC Levels:

- **A Velos Pro** which is an ion trap LC-MSn system. The quote from Thermo Fisher Scientific is \$176,061.30.
- **A 1290 Binary LC.** The quote from Agilent Technologies is \$61,809.60.

Identified Hemp Resource Needs at DATCP (+500% increase in license applications)

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- **1.0 FTE License Permit Program Associate** – this position is a second licensing position and will perform a variety of license and permit functions, including processing licensing paperwork and explaining licensing requirements to growers, processors, and others interested in the program. This position will conduct hemp license modifications and other administrative program activities including database work and tabulating, analyzing and summarizing grower reports and other program data. (\$64,359.25)

- **1.0 FTE Program and Policy Analyst Adv.** – this position will be responsible for writing and updating DATCP’s administrative rules related to hemp, as well as monitor state and federal policies as they relate to the state’s hemp program. This position will also serve as a subject matter expert as licensees, prospective licensees and the general public have questions related to hemp laws. (\$86,301.87)

- **1.0 FTE Chemist Sr.** -- This position will be located in the Bureau of Laboratory Services and will be responsible for conducting hemp program regulatory testing. (\$86,301.87)

3.0 FTEs included in SB188/Governor’s budget (Fiscal Analysis Included in Both)

- **1.0 GPR FTE License and Permit Program Associate (Hemp LPPA):** This position will perform a variety of license and permit functions, including processing licensing paperwork and explaining licensing requirements to growers, processors, and others interested in the program. The LPPA will assist the hemp program manager and the regulatory specialist with program reporting, sampling and compliance functions.

- **1.0 GPR FTE Plant Pest and Disease Specialist – Advanced (Hemp field lead):** This position will be the field lead for the hemp program, organizing the inspection, investigation and sampling aspects of the program, providing grower outreach and working in coordination with the hemp program manager, the regulatory specialist and the LPPA on program compliance.

- **1.0 GPR FTE Chemist Supervisor:** This position will be located in the Bureau of Laboratory Services and will be responsible for managing the hemp unit at the laboratory and providing the required QA/QC review of all hemp results related to regulatory testing. This position is also responsible for performing hemp regulatory testing.

Additional Equipment Required for Testing and Verifying THC Levels:

- **A Velos Pro** which is an ion trap LC-MSn system. The quote from Thermo Fisher Scientific is \$176,061.30.

- **A 1290 Binary LC.** The quote from Agilent Technologies is \$61,809.60.



**STATE OF WISCONSIN
DEPARTMENT OF JUSTICE**

**Josh Kaul
Attorney General**

Room 114 East, State Capitol
PO Box 7857
Madison WI 53707-7857
(608) 266-1221
TTY 1-800-947-3529

PREPARED TESTIMONY OF ATTORNEY GENERAL JOSH KAUL
Senate Committee on Agriculture, Revenue, and Financial Institutions
Thursday, May 30, 2019

Chairperson Marklein and Committee Members,

I respectfully submit the following testimony regarding 2019 Senate Bill 188, authored by Senators Testin and Taylor, and Representatives Kurtz and Considine, for informational purposes only.

I appreciate the efforts of the bill authors to update the legal framework for the regulation of hemp in Wisconsin. I particularly commend the bill authors for their effort to provide much-needed clarity regarding the legal status of Cannabidiol (CBD) oil in Wisconsin. Uncertainty regarding this issue impacts law enforcement agencies, businesses that wish to manufacture, transport, and/or sell CBD oil, and individuals attempting to obtain CBD oil to treat a medical condition. It is important that state law be clear as to the legality of CBD oil. In addition, I would like to acknowledge the bill authors for proposing statutory language that would protect consumers by prohibiting the mislabeling of hemp products.

However, I strongly encourage the members of this committee to amend the proposed legislation so that delta-9-tetrahydrocannabinol (THC) remains a restricted controlled substance in connection with the operation of a motor vehicle. To be sure, under current law, if a person has a detectable amount of THC in his or her blood due to the use of CBD oil and drives, that person would be in violation of Wis. Stat. § 346.63(1)(am). But instead of repealing Wis. Stat. § 340.01(50m)(e), this issue could be addressed by making it an affirmative defense to an action under Wis. Stat. § 346.63(1)(am) in which a defendant has a very low amount of THC in his or her blood that the THC was attributable to the lawful use of CBD oil.

If you have any questions or would like any additional information, please contact Chris McKinny, Department of Justice Government Affairs Director, at (608) 224 - 9207 or McKinnyCJ@doj.state.wi.us.

Thank you for consideration of this written testimony.

Thank you for inviting me today. About 3 years ago, Wisconsin Farmers Union members voted almost unanimously in support of the legalization of industrial hemp in our annual policy discussion. Prior to that, we had supported research into the viability of hemp as a commodity crop for several years. And now we support this bill.

In particular, we're encouraged by several aspects of Hemp 2.0 – for one thing, there's more contract security for growers. We're also very happy to see hemp added to the list of crops covered in Wisconsin's anti-corporate farming law. One can imagine how large out-of-state corporate entities could be interested in taking advantage of this potentially high-value crop, and it's great to see that the act of growing hemp will stay within the hands of Wisconsin farmers and producers.

We want as much innovation as possible.

We have the assurances- and it's quite important to us- that DATCP use as light a hand as possible in excluding varieties from the allowable list. This is a new industry and we don't have close to as many varieties as we need. Like anything new, there's much to learn about how hemp grows in Wisconsin- how different varieties react to different soil types- and we'd like to see this research and development coming from those who have the biggest stake in the industry- the farmers.

Farmers are excited about new opportunities for growing hemp- in the commodity markets for fiber, building materials, and oil- and the specialty markets for products like CBD. Wisconsin Farmers Union members in the southern part of the state have even formed the state's first hemp cooperative based around CBD production.

As a farmer myself, I'm excited to be growing hemp for the first time this year at my farm in Central Wisconsin. I am one of the thousands of farmers with a DATCP hemp growers license. I've got a very diversified operation- vegetables, berries, grapes, an orchard, pasture raised chickens and turkeys, rabbits and sheep. I've got two high tunnels- large hoop houses- for growing hot season vegetables. Growing hemp will be a great compliment to my current operation- I'll be able to rotate hemp into a crop rotation with my other vegetables.

We're currently hearing a lot of bad news coming out of agriculture- but hemp is a potential diversification strategy that is bringing some much-needed optimism to rural Wisconsin.

-Tommy Enright

Wisconsin Farmers Union

Black Rabbit Farm, Amherst, WI