

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MADAM PRESIDENT: Your committee on conference on Senate amendments to **HB 2167** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed as with Senate Committee of the Whole amendments, as follows:

On page 2, in line 5, after "that" by inserting "industrial"; in line 11, by striking "thereunder" and inserting "hereunder"; in line 18, by striking "thereunder" and inserting "hereunder"; in line 21, by striking "thereunder" and inserting "hereunder";

By striking all on pages 4 through 6;

On page 7, by striking all in lines 1 through 39 and inserting:

"New Sec. 4. (a) The Kansas department of agriculture shall create and maintain a registry of all hemp processors operating within the state of Kansas.

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

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

(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 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;

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

(3) a brief description of the industrial hemp processing methods, 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 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.

(f) No hemp processor who is licensed under K.S.A. 2018 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.

(g) Fees collected pursuant to this section shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to

the credit of the commercial industrial hemp act licensing fee fund.

(h) Except as provided in subsection (f), it shall be unlawful for any person to operate as a hemp processor without valid registration.

(i) (1) Upon a first conviction for a violation of subsection (h), a person shall be guilty of a class A nonperson misdemeanor.

(2) On a second or subsequent conviction for a violation of subsection (h), a person shall be guilty of a severity level 9, nonperson felony.

(j) (1) A registered hemp processor, or an applicant to become a registered hemp processor, shall request the Kansas bureau of investigation to conduct a state and national criminal history record check on any individual employed or seeking employment under such registered hemp processor or applicant who would be engaged in extraction of cannabinoids, including through the disposal of cannabinoids from industrial hemp, pursuant to section 6, and amendments thereto. The request for a state and national criminal history record check shall include the following:

(A) The individual's fingerprints; and

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

(i) A waiver permitting the hemp processor to request and receive a criminal 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

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

(2) A registered hemp processor, or an applicant to become a registered hemp processor, shall require such individual to be fingerprinted and 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. Such hemp processor or applicant shall use the fingerprints to identify the individual and to determine whether the individual has a record of criminal history in this state or other jurisdictions or countries. The hemp processor may use the information obtained from the fingerprints and such state and national criminal history record checks in the official determination of the qualifications and fitness of the individual to process industrial hemp. Disclosure or use of any information received by the hemp processor for any purpose other than the purposes provided for in the commercial industrial hemp act shall be a class A nonperson misdemeanor.

(3) Local and state law enforcement officers and agencies shall assist the hemp processor in taking and processing such individual's fingerprints 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 final determination of the qualification of such individual to process industrial hemp.

(5) An individual who 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 immediately preceding 10 years, shall be disqualified from processing industrial hemp under this section.

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

(7) The Kansas bureau of investigation may charge a reasonable fee 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 shall promulgate rules and regulations to carry out the provisions of this section.

(l) This section shall be a part of and supplemental to the commercial industrial hemp act, K.S.A. 2018 Supp. 2-3901 et seq., and amendments thereto.";

On page 8, in line 6, after "any" by inserting "other"; in line 7, by striking all after "hemp"; by striking all in lines 8 and 9; in line 10, by striking all before the period and inserting "that is prohibited pursuant to the Kansas food, drug and cosmetic act, K.S.A. 65-636 et seq., and amendments thereto, and the commercial feeding stuffs act, K.S.A. 2-1001 et seq., and amendments thereto. This subparagraph shall not otherwise prohibit the use of any such ingredient, including cannabidiol oil, in such hemp products"; in line 22, by striking "operating"; in line 23, by striking all before the comma and inserting "registered as a hemp processor pursuant to section 4, and amendments thereto"; in line 29, after the semicolon, by striking "and" and inserting "or"; in line 32, by striking all after "misdemeanor"; by striking all in line 33; in line 34, by striking all before the period; in line 35, after "second" by inserting "or subsequent"; in line 36, by striking all after "felony"; by striking all in lines 37 through 43;

On page 9, in line 1, by striking all before the period; in line 6, by striking "authorized" and inserting "not prohibited"; in line 23, by striking "act" and inserting "section"; in line 27, after "(b)" by inserting "Any violation of this section shall be considered an unlawful act for the purposes of K.S.A. 65-3409, and amendments thereto.

(c) ";

On page 10, in line 2, after "THC" by inserting ":

(A) ";

Also on page 10, in line 3, after the period by inserting ";

(B) on a percentage by weight basis in hemp products, waste or substances resulting from the production or processing of industrial hemp.";

Also on page 10, in line 19, by striking "licensed" and inserting "registered"; in line 20, by striking the second comma and inserting "and"; also in line 20, by striking "and distribute";

On page 11, in line 1, by striking "that"; also in line 1, after "plants" by inserting "to"; in line 5, by striking all before "not" and inserting "they do";

On page 13, in line 6, by striking "thereunder" and inserting "hereunder";

On page 32, in line 29, by striking "on"; in line 30, by striking all before the semicolon;

And by renumbering sections accordingly;

And your committee on conference recommends the adoption of this report.

Conferees on part of Senate

Conferees on part of House