

3.20.19

Thank you for your time today and all your attention on this Hemp Bill. Please forgive the late submission of my comments, I was finalizing hemp seed certification requirements in Wisconsin. Please accept my comments/testimony as part of the record today regard Bill SB57.

My name is Veronica Carpio, I am founder of a Hemp Organization called GrowHempColorado which focuses on education and advocacy for the hemp industry nationwide. I am not a paid lobbyist. I am one of the first 3 hemp farmers in the USA. I am the first registered female hemp farmer in the nation as well as the first to get licensed to legally sell hemp seed. I now have the privilege to have my domestically breed hemp seed AASCO certified in two different states. I am the only person in the world to currently have domestically breed hemp seed certified in multiple US states in the world.

I have been extremely proactive in Colorado (and other state legislation) since 2015 and in 2018 wrote and successfully passed a "Hemp Foods Bill" here in Colorado in efforts to protect our thriving hemp industry, hemp product manufactures as well as consumers by defining what a hemp product is, who the regulatory authority is, requirements for a finished product, deemed these products (including those with CBD) as non-adulterated and treated as food, food additive and or herb. All this was added into our state Food, Drug and Cosmetic Act, NOT our controlled Substance act unlike what this bill is attempting to do. Recently, New Mexico was the second state to go the same as Colorado, in direct opposition to the currently FDA position on these type of hemp products.

I am testifying in OBJECTION to Bill SB57 today due to the following reasons:

1. This bill provides little to no protection to the future hemp farmers, product manufactures and consumers in OH and only makes changes to OH Controlled Substance Act.
2. This bill is being pushed by a Pay-To-Play group, called the US hemp Round table (aka the US Hemp Authority) which consists of CBD manufactures and mostly vertically integrated companies which are trying to use Ohio law makers to protect their self-serving interest only and not the OH farmer or consumer.
3. This bill provides ZERO legal protection for Hemp/CBD products and or regulatory requirements for this type of manufacture and or products.
4. If this bill passes as is, it will create a heavy burden on OH law enforcement which is unnecessary, and they are not properly prepared for in multiple ways.
5. Bill intents to create unnecessary State criminal legal penalties for non-compliant hemp
6. Hemp products intended for human consumption and use is NOT being regulated under the State Health/Agriculture department in this bill language.

7. Hemp products as defined in this bill allows for any amount of THC. This is a major public safety concerns and must be defined at 0.3% THC Delta 9 concentration total in a finished consumer product.
8. Changes in the OH Controlled Substance act is not enough to provide a legal path way and regulatory clarifications for Hemp Products in OH.
9. Allowing Hemp plants and or hemp products to be feed to animals and or livestock will create problems from USDA approved cattle, dairy, poultry and other like products from entering the consumer market.
10. 5 year license period will not provide the necessary financially resources to the dept of Ag time, staff and expenses to manage a self-funded hemp program.
11. The grandfather clause in the 2018 Farm Bill regarding drug felons operating under the 2014 has been intentionally left out and must be added in.
12. Overall, I have learned bad law is hard to change and this bill will create bad hemp law for OH without necessary amendments. Please see below for more detail regarding suggested amendments for this bill in the best interest of the State of OH and future competitive advantage in the US Hemp Industry.

Suggest Amendment:

(A) "Cannabidiol" means the cannabidiol compound derived from hemp. – this is not correct and should be removed all together. Fact: Cannabidiol can come from the cannabis plant (both hemp and marijuana) as well as other sources. Attempting to define it this way is an attempt to legal limit access to this cannabinoid from any other source then Hemp. Additional if one cannabinoid which can be found in the cannabis plant is defined, then they should all be define. Finally, a restricted definition for cannabidiol is not necessary, is harmful, incorrect and will have unforeseen consequences for Ohio's MJ medical and or rec programs.

(D) "Hemp product" means any product made with hemp from any part of the hemp plant, including but not limited to naturally occurring cannabinoids, concentrates, isolates, distillates, resins, flower, leaf, root, cosmetics, personal care products, dietary supplements or food intended for animal or human consumption or use, cloth, cordage, fiber, fuel, paint, paper, particleboard, and any product containing one or more cannabinoids derived from hemp, including cannabidiol. with a total THC delta9 concentration of 0.3% or less in a finished product. (NOTE: failure to include a specific THC delta 9 concentration level allowed in any hemp product intended for human consumption and use is not addressing public safety concerns and allow products that are over 0.3% to be sold legally which would create a public safety concern on multiple levels for both consumers

and law enforcement. Hemp Concentrates are well known to exceed much higher than 0.3% but they are not finished products, they will be further formulated/diluted down in a finished product sold on the consumer market) needs to be added into Chapter 3715 (OH Food, Drugs & Cosmetic Act)

(ADD)(E) Industrial Hemp Extractors – registered/licensed companies and/or individuals which exclusively process industrial hemp into cannabinoid based extractions including but not limited to crude oil, distillates, resins and isolates, both solvent and non-solvent based which are *unfinished products not for sale on the commercial/retail market.

Basic rules for Hemp extractors: (could be in law or rule)

- Additional rules and regulations will be determined through dept rule under the power granted to them under section?
- All raw industrial hemp materials coming into to processing facility must be compliant hemp, 0.3% THC concentrate or below
- No more than 2 oz of THC isolated can be on site at one time
- Every batch of extracts, concentrates, isolates, crude oil, resins, etc must be tested by a state approved lab before removed from extraction facility
- Isolated THC cannot be consumed, sold or transferred to any 3rd party and must be destroyed.
- THC can be destroyed with heat above temp of 475 degrees, conversion into another cannabinoid and or mixed with soil into compost.
- Report of THC destruction and or conversion which must be done per month and reported to Dept of Health/Dept of Ag.
- Must comply all other state, local city and county rules and regulations
- No registrant will be subject to criminal or civil penalty unless out of compliance for finished a hemp product (over 0.3% THC delta 9 concentration and or with in the legal % allowance), which remain under the jurisdiction of local and state LE as marijuana.

(ADD)(F) Definition of industrial hemp unfinished products: Including but not limited to hemp extracts, concentrates, isolates which are over 0.3% thc delta 9 total, not for consumer use or distribution, and is used by a Registered/Licensed Industrial Hemp Product Manufacture in formulations for a finished Hemp Product.

(ADD) (G) Industrial Hemp Product Manufactures/Product Producers– registered/licensed companies and individuals which create a finished product(s) for human use and consumption which are 0.3% thc (thc-a & Thc delta 9) concentrate or below. These Industrial Hemp Product Manufactures and Hemp product producers do not perform any extractions from raw materials or further processing of a hemp concentrate, extracts, distillate, etc. other than dilution into a finished product

This can be rule or in law

- All finished products must be tested by a state approved lab, per product batch and free from any adulterated ingredients before being sold on the commercial market.
- Adulterated ingredients would include but are not limited to THC delta 9 over 0.3%, THC-A over 0.3%, heavy metals, pesticides, mold, mildew, residual solvents above the legally allowable limits for human consumption and use.

- Must follow labeling requirements in accordance with ODA rule making

(ADD)Sec 928.07 – Hemp Product, Hemp Product Manufacturing, Storage, other

All hemp product manufacture and hemp product producers, retail food establishment using hemp shall be required to be register and or licensed with the Dept of Ag; adhear to the Ohio Uniform food safety code – Section 3717 (retail food law) , Section 911 (Bakery Law), 913 (Cannery, Bottled Bev & Beg Extract law), 915(Cold Storage/Freezing Food), 901:3-6, 901:3-4 – further rules and relegations pertaining to Hemp Products and Hemp Manufacture can be defined in rule under the rule making authority granted.

Sec. 928.02

(D) Notwithstanding any other provision of the Revised Code to the contrary, the addition of hemp or cannabinoids derived from hemp, ~~including cannabidiol,~~ **to any product intended for human consumption and use, is not an adulterated or misbranded product.**

Colorado Language:

"INDUSTRIAL HEMP PRODUCT" MEANS A FINISHED PRODUCTCONTAINING INDUSTRIAL HEMP THAT:

- (I) IS A COSMETIC, FOOD, FOOD ADDITIVE, OR HERB;*
- (II) (II) IS FOR HUMAN USE OR CONSUMPTION;*
- (III) (III) CONTAINS ANY PART OF THE HEMP PLANT, INCLUDING NATURALLY OCCURRING CANNABINOIDS, COMPOUNDS, CONCENTRATES, EXTRACTS, ISOLATES, RESINS, OR DERIVATIVES; AND*
- (IV) (IV) CONTAINS A DELTA-9 TETRAHYDROCANNABINOLCONCENTRATION OF NO MORE THAN THREE-TENTHS OF ONE PERCENT.*
- (V) (4) (d) INDUSTRIAL HEMP PRODUCTS PRODUCED BY WHOLESALFOOD MANUFACTURING FACILITIES REGISTERED IN ACCORDANCE WITH THIS SUBSECTION (4) SHALL NOT BE DEEMED ADULTERATED, AS DEFINED INSECTIONS 25-5-410 AND 25-5-416, UNLESS THE PRODUCTS MEET ONE ORMORE OF THE CRITERIA SET FORTH IN SECTION 25-5-410 OR 25-5-416.*

(B) Except as authorized under division (A)(2) of this section, any person that wishes to cultivate hemp shall apply for and obtain a hemp cultivation license from the director in accordance with rules adopted under section 928.03 of the Revised Code. A hemp cultivation license is valid for ~~five years~~ **12 MONTHS** unless earlier suspended or revoked by the director.

Rules Section - Sec. 928.03

(6) A requirement that the director shall not issue a hemp cultivation license to any person who has pleaded guilty to or been convicted of a felony relating to a controlled substance in the ten

years immediately prior to the submission of the application for a license; -this section is reflecting language in the 2018 farm bill but leaves a critical part out – ie. The Grandfather clause that provided allowance for anyone with a drug felony who was operating under the 2014 farm bill to be excluded from this restriction. This is an attempt to discriminate by the US Hemp Roundtable which supported the discriminatory language added by Senator Mitch McConnell. They are attempting to have the NC law makers discriminate against those harmed most by the failed war on drugs by not, at least, mirroring the existing language in the 2018 Farm Bill. Needs to be amended to include – (ADD)“EXCEPTION. — shall not apply to any person growing hemp lawfully with a license, registration, or authorization under a pilot program authorized by section 7606 (such as Colorado) of the Agricultural Act of 2014 (7 U.S.C. 5940) before the date of enactment of this sub-title

(B) The director of agriculture may adopt rules in accordance with Chapter 119. of the Revised Code establishing standards for the testing and labeling of hemp and hemp products – **INTENDED FOR HUMAN CONSUMPTION OR USE.**

Sec. 928.05.

~~(REMOVE)(B) If the director determines that a person negligently violated section 928.04 of the Revised Code three or more times in any five-year period, the director shall revoke the person's hemp cultivation license, if any, and shall refuse to issue a hemp cultivation license to that person for a period of five years beginning on the date that the director determines that the person committed the most recent violation.~~

~~(REMOVE)(C) The director shall report a person who the director determines has violated section 928.04 of the Revised Code with a culpable mental state greater than negligence to the attorney general, the United States attorney general, and the applicable county prosecutor.~~

This should be in rule not law. This can be defined in rule under the authority of rule making to the dept in this bill in section Sec. 928.03

~~(REMOVE) Sec. 928.99. (A) Whoever recklessly violates section 928.04 of the Revised Code is guilty of the following:~~

~~(1) For a first offense, a minor misdemeanor;~~

~~(2) For each subsequent offense, a misdemeanor of the fourth degree. The court shall order an offender who is convicted of or pleads guilty to a third or subsequent offense ineligible to receive a hemp cultivation license under this chapter. The court shall provide written notice of that order to the director of agriculture. On receipt of the notice, the director shall revoke any hemp cultivation license the offender holds and shall refuse to issue a hemp cultivation license to the offender beginning on the date of the court order. (B) The prosecuting attorney of the applicable county or the attorney general may prosecute an action under this section.~~

This should be in rule not law. This can be defined in rule under the authority of rule making to the dept in this bill in section Sec. 928.03 – Changing and or adding rules is much easier then changing law. There is also no definition for “reckless” which will be left open to interpretation and that is dangerous. This attempt to create criminal penalties is in direct conflict with the 2018 Farm Bill Language and is more restrictive than the 2018 Federal Farm Bill language. Although states are allowed to be more restrictive, this is a case where it is both unnecessary and harmful.

The 2018 Farm Bill says this - “RESULT OF NEGLIGENT VIOLATION.—A hemp producer that negligently violates a State or Tribal plan under subparagraph (A) shall not as a result of that violation be subject to any criminal enforcement action by the Federal Government or any State government, Tribal government, or local government”