Title 2—DEPARTMENT OF AGRICULTURE  
Division 70—Plant Industries  
Chapter 17—Industrial Hemp

EMERGENCY AMENDMENT

2 CSR 70-17.070 Industrial Hemp [Registration] Program Fees [[(Renewal of Registration) and Other Fees]]. The department is amending the title, purpose, and entire rule.

PURPOSE: This amendment updates the purpose and fees associated with the industrial hemp program.

PURPOSE: This rule explains registration, permit, and other related fees.

EMERGENCY STATEMENT: This emergency amendment informs the public of what provisions are necessary for the efficient and effective implementation of the Industrial Hemp Program. The department believes this emergency amendment is necessary to serve a compelling governmental interest in order to implement the regulatory framework for industrial hemp production in Missouri. Emergency rules are necessary to issue registrations and permits in preparation for the 2020 growing season. The Missouri Department of Agriculture (MDA) shall promulgate rules for the registration and permitting of persons for the production of industrial hemp. MDA must maintain a list of registered producers and agricultural hemp propagule and seed permit holders that produce, sell, distribute, or offer for sale viable industrial hemp. MDA must provide the list of registered producers and permit holders to the Missouri State Highway Patrol for verification of legal production of industrial hemp. MDA rulemaking authority also allows for the inspection and sampling of any hemp crop to determine if a crop contains a legally allowable tetrahydrocannabinol (THC) concentration in accordance with the federal Controlled Substances Act under 21 U.S.C. Section 801 et. seq. MDA must also promulgate rules for: application requirements for registration and permitting; industrial hemp plant monitoring systems; testing requirements to ensure that the hemp does not exceed the legal limit of delta-9 THC; and registration and permit revocation, refusal protocols, and civil penalties for violations of these provisions. Anecdotal evidence suggests that a minimum of five hundred (500) persons will be registered to produce industrial hemp as a result of meeting the requirements for a registration or permit. No person may legally possess viable industrial hemp under the authorizing statute without first obtaining a producer registration or agricultural hemp propagule and seed permit in Missouri. As a result, MDA finds a compelling governmental interest which requires this emergency rulemaking. The scope of this emergency amendment is limited to the circumstances creating the emergency and complies with the protections extended in the Missouri and United States Constitutions. MDA believes this emergency amendment is fair to all interested parties under the circumstances. A proposed amendment covering this same material was published in the November 1, 2019, issue of the Missouri Register (44 MoReg 2673-2675). This emergency amendment was filed December 17, 2019, becomes effective January 2, 2020, and expires June 29, 2020.

(1) Upon the department’s selection of the application, the applicant will be provided an Industrial Hemp Pilot Program Grower and Handler Registration Agreement to be signed and submitted along with the applicable registration fees. Institutions of higher education are exempt from these fees.

(A) Grower registration fee: five hundred dollars ($500) plus—
   1. Forty-five dollars ($45) per acre to be planted.

(B) Handler registration fee: five hundred dollars ($500) plus—
   1. For processing the grain component of industrial hemp: five hundred dollars ($500);
   2. For processing the fiber component of industrial hemp: five hundred dollars ($500);
   3. For processing the leaf and/or floral material component of industrial hemp (hemp extract and/or CBD): three thousand dollars ($3,000); or
   4. If processing more than one (1) component, the handler shall pay the fee associated with each component.

(C) Agricultural Hemp Seed Production Permit fee: five hundred dollars ($500).

(2) Registered growers must pay an annual renewal fee of forty-five dollars ($45) per acre for the second and third year of registration.

(3) Registered handlers must pay an annual renewal fee equal to the applicable processing fees listed in this section in (1)(B)1. through 4. for the second and third year of registration.

(4) Agricultural hemp seed production permittees must pay an annual renewal fee of five hundred dollars ($500).

(5) Registrations are effective on the date originally issued by the department and will expire three (3) years after the date of issuance.

(6) Applications for registration renewal must be received no more than one hundred twenty (120) days and no less than thirty (30) days prior to the expiration of the three- (3-) year registration. Registered growers and handlers shall be required to satisfy all requirements for registration as if never before registered, including completion of an acceptable state and federal criminal background check. Registered growers will be considered first for subsequent three- (3-) year registration renewals.

(7) If unaccounted acres are available for production and cultivation, the department will announce an open application period on the department’s website. During this period, the department will consider new applications and registration modifications for the acreage.

(8) When destruction is required, the department will assess to the registered grower an appropriate destruction certification fee. Such fee will be commensurate with the Missouri Highway Patrol or local law enforcement agencies’ costs for certifying crop destruction. Such fee shall be paid within thirty (30) days of receiving an invoice.

(1) The applicant, registered producer, or permit holder must pay all fees as established in applicable laws and regulations. All fees are nonrefundable.

(2) Applicants must submit a seven hundred fifty dollar ($750) fee with each registration or permit application.

(3) Registered producers and permit holders must pay an annual fee of seven hundred fifty dollars ($750) for the second and third year of registration. Annual fees are due by the end of the month of the anniversary date of the initial approval.

(4) If fees are not paid by the due date, a late fee of twenty-five percent (25%) may be assessed for fees that are up to thirty (30) days past due. A late fee of fifty percent (50%) may be assessed...
for fees thirty-one (31) to sixty (60) days past due. Fees not paid within sixty (60) days of the due date will result in revocation of the producer registration or permit.

(5) The department may invoice registered producers and permit holders for all applicable destruction certification expenses. Such fees will be commensurate with the Missouri State Highway Patrol or local law enforcement agencies' costs for certifying crop destruction. The destruction certification fee shall be due thirty (30) days after the invoice date.

(6) The department may invoice registered producers and permit holders for all related inspection, investigation, and sampling costs, including mileage charged at the federal mileage rate, and all related laboratory analysis costs.


PUBLIC COST: This emergency amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This emergency amendment will cost private entities an estimated one hundred seventy-five thousand dollars ($175,000) for the duration of the emergency.
Emergency Rules

FISCAL NOTE
PRIVATE COST

I. Department Title: 2 – Department of Agriculture
Division Title: 70 – Plant Industries
Chapter Title: 17 – Industrial Hemp

Rule Number and Title: 2 CSR 70-17.070 Industrial Hemp Registration and Permit Fees

Type of Rulemaking: Emergency Amendment

II. SUMMARY OF FISCAL IMPACT

<table>
<thead>
<tr>
<th>Estimate of the number of entities by class which would likely be affected by the adoption of the rule:</th>
<th>Classification by types of the business entities which would likely be affected:</th>
<th>Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:</th>
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<tbody>
<tr>
<td>500</td>
<td>Registered producers &amp; Permit holders</td>
<td>$175,000 for duration of the emergency</td>
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</tbody>
</table>

III. WORKSHEET

500 Registered producers & Permit holders  x  $750/year = $350,000/year times 6 months = $175,000

IV. ASSUMPTIONS

It is assumed that 500 persons will apply for or maintain a producer registration or agricultural hemp propagule and seed permit. The initial registration/permit fee and annual maintenance fee are established at $750.