

**260.854 Conditions and procedures for issuing industrial hemp research program grower license and industrial hemp grower licenses -- Content and processing of applications for licenses -- Criminal background checks -- Commissioner's discretion in approving licenses -- License fees set by administrative regulations -- Monitoring requirements.**

- (1) The commission shall establish a program of licensure to allow persons to grow industrial hemp in the Commonwealth, as provided in this section. The program shall include the following two (2) separate forms of license:
  - (a) An industrial hemp research program grower license, to allow a person to grow industrial hemp in this state in a controlled fashion solely and exclusively as part of the industrial hemp research program overseen by the commission. This form of licensure shall only be allowed subject to a grant of necessary permissions, waivers, or other form of valid legal status by the United States Drug Enforcement Agency or other appropriate federal agency pursuant to applicable federal laws relating to industrial hemp; and
  - (b) An industrial hemp grower license, to allow a person to grow industrial hemp in this state for any purpose. This form of licensure shall only be allowed subject to the authorization of legal industrial hemp growth and production in the United States under applicable federal laws relating to industrial hemp.
- (2) Any person seeking to grow industrial hemp, whether as part of the industrial hemp research program or otherwise, shall apply to the commission for the appropriate license on a form provided by the commission. At a minimum, the application shall include:
  - (a) The name and mailing address of the applicant;
  - (b) The legal description and global positioning coordinates sufficient for locating the production fields to be used to grow industrial hemp. A license shall authorize industrial hemp propagation only on the land areas specified in the license;
  - (c) A signed statement indicating whether the applicant has ever been convicted of a felony or misdemeanor. A person with a prior felony drug conviction within ten (10) years of applying for a license under this section shall not be eligible for the license;
  - (d) Written consent allowing the Department of Kentucky State Police, if a license is ultimately issued to the applicant, to enter onto the premises on which the industrial hemp is grown to conduct physical inspections of industrial hemp planted and grown by the applicant, and to ensure compliance with the requirements of KRS 260.850 to 260.869. No more than two (2) physical inspections shall be conducted under this paragraph per year, unless a valid search warrant for an inspection has been issued by a court of competent jurisdiction. All testing for THC levels shall be performed as provided in subsection (11) of this section;
  - (e) Any other information required by the commission; and
  - (f) The payment of a nonrefundable application fee, in an amount set by the

commission and used to offset the cost of administering the licensure program.

- (3) The commission shall require a state or national criminal history background check by the Department of Kentucky State Police on all persons applying for licensure. The Department of Kentucky State Police may charge a fee, as established by the commission, to be paid by the applicant for the actual cost of processing the background check. A copy of the results of the background check shall be sent to the commission.
- (4) All license applications shall be processed as follows:
  - (a) Upon receipt of a license application, the commission shall forward a copy of the application to the Department of Kentucky State Police which shall initiate its review thereof;
  - (b) The Department of Kentucky State Police shall:
    1. Perform the required state or national criminal history background check of the applicant;
    2. Approve the application, if it is determined that the requirements relating to prior criminal convictions have been met; and
    3. Return all applications to the commission together with its findings and a copy of the state or national criminal history background check; and
  - (c) The commission shall review all license applications returned from the Department of Kentucky State Police. If the commission determines that all requirements have been met and that a license should be granted to the applicant, taking into consideration any prior convictions of the applicant, the commission shall approve the application for issuance of a license.
- (5) In the case of industrial hemp research program grower licenses, the provisions of subsection (4) of this section shall apply, except that the commission may approve licenses for only those selected growers whose demonstration plots will, in the discretion of the commission, advance the goals of the industrial hemp research program to the furthest extent possible based on location, soil type, growing conditions, various varieties of industrial hemp that may be suitable for various hemp products, and other relevant factors. The location, and the total number and acreage, of all demonstration plots to be grown by license holders shall be determined at the discretion of the commission.
- (6) The number of acres to be planted under each license shall be established by the commission.
- (7) Each license shall be valid for a period of one (1) year from the date of issuance, and may be renewed in successive years. Each annual renewal shall require the payment of a license renewal fee.
- (8) The commission shall, by administrative regulation, establish the fee amounts required for license applications and license renewals allowed under this section. All application and license renewal fees collected by the commission shall be deposited in the industrial hemp program fund established in KRS 260.869.
- (9) A copy of, or appropriate electronic record of, each license issued by the

commission under this section shall be forwarded immediately to the sheriff of each county where the industrial hemp is licensed to be planted, grown, and harvested.

- (10) All records, data, and information filed in support of a license application shall be considered proprietary and subject to inspection only upon the order of a court of competent jurisdiction.
- (11) The commission shall be responsible for monitoring the industrial hemp grown by any license holder, and shall provide for random testing of the industrial hemp for compliance with THC levels and for other appropriate purposes at the cost of the license holder. The commission shall establish necessary testing criteria and protocols through promulgation of administrative regulations pursuant to KRS 260.851 and in accordance with KRS Chapter 13A.

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