



JAI TEMPLETON
COMMISSIONER

TENNESSEE DEPARTMENT OF AGRICULTURE

DIVISION OF CONSUMER & INDUSTRY SERVICES
PLANT CERTIFICATION SECTION

INDUSTRIAL HEMP PROCESSOR REGISTRATION

For Departmental Use Only

Date Submitted _____ Date Issued _____ License Number _____

No Fee Required for Registration

Applicant Info

Applicant:

Primary Contact:

Processing Address:

City: State: TN Zip:

County:

Building GPS Coordinates:

Phone:

Alternate Phone:

Email:

Date of Birth (if an individual or partners in a partnership, not a business or LLC):

Mailing Address:

City: State: Zip:

Agent (person processing hemp at this area) contact information, if applicable:

Name: Phone: Email:

What is the goal of your industrial hemp research?

Please check all the processing methods you would like to register for:

Oil Press Oil Extraction Fiber Food Product Other _____

Mobile Extraction License Plate Number# _____ VIN # _____

Property Owner's Affirmation

The property owner of this area or vehicle MUST consent for its use to process industrial hemp: I, (print name)

_____, the undersigned, am the lawful owner of real property located at the above-referenced address or vehicle, and I hereby consent to the use of such property for the purpose of processing industrial hemp consistent with and for all purposes allowed under federal law, Tennessee law, and the rules and regulations of the Tennessee Department of Agriculture (TDA). I further acknowledge and agree to the following terms and conditions for Applicant's license from TDA to produce industrial hemp on said property. 1. Any information obtained by TDA with respect to this application and/or processing of industrial hemp on my property may be disclosed to the public and/or provided to law enforcement agencies without further notice to me or my representative(s). 2. I agree to allow any inspection or sampling of my property at the above-referenced address that TDA deems necessary relative to this application for an industrial hemp license or its resulting hemp crop. 3. I warrant that I have not been convicted of a felony in any country, relative to the possession, production, sale, or distribution of a controlled substance in the last ten years.

Property owner's signature:

Date:

TERMS & CONDITIONS

Please affirm Applicant's agreement to the following terms and conditions for an industrial hemp license. I, (print name) _____, having legal authority to bind Applicant to the terms and conditions of this application for an industrial hemp license, hereby acknowledge those regulations governing the processing of industrial hemp under federal law, Tennessee law, and the rules and regulations of the Tennessee Department of Agriculture (TDA). In exchange for consideration of this application, I further acknowledge, understand, and agree to each of the following terms and conditions of a license from TDA to produce industrial hemp products for commerce:

1. Any information obtained by TDA may be disclosed to the public and/or to law enforcement agencies without further notice to me, the Applicant, the owner of the property licensed for processing of industrial hemp, or any of our representative(s).
2. I agree to allow any inspection or sampling that TDA deems necessary relative to this application for an industrial hemp license or its resulting hemp crop.
3. I agree to pay all costs incurred at the discretion of TDA for sampling and analysis relative to this application for an industrial hemp license or its resulting hemp crop.
4. I agree to submit all reports or statements requested by TDA relative to this application for an industrial hemp license or its resulting hemp crop, including the crop's harvest, disposition and transport.
5. I warrant that I have not been convicted of a felony in any country, relative to the possession, production, sale, or distribution of a controlled substance in the past ten years.
6. I warrant that, to the best of my knowledge and belief, no partner, director or member otherwise associated with the Applicant entity named above, if applicable, has been convicted of a felony in any country, relative to the possession, production, sale, or distribution of a controlled substance in the past ten years.
7. I warrant that all documents and information submitted in support of this application for an industrial hemp license are authentic, correct, and complete to the best of my information and belief.
8. I warrant that I have read and understand Rules of the Tennessee Department of Agriculture, Chapter 0080-06-28, relative to regulation of industrial hemp, otherwise available at: share.tn.gov/sos/rules/0080/0080-06/0080-06-28.20150415.pdf 9.

I acknowledge and understand that registration to process industrial hemp is conditioned upon my participation with the Tennessee Department of Agriculture's Industrial Hemp Pilot Program or an institution of higher education in Tennessee and that my actions with respect to the growth, cultivation, harvest, process or transportation of industrial hemp otherwise subject me to obligations and regulations imposed under United States law, Tennessee law, and potentially the laws of other states.

APPLICANT: _____

DATE: _____

TENNESSEE DEPARTMENT OF AGRICULTURE INDUSTRIAL HEMP PILOT PROGRAM

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is made and entered into upon the last date of execution signed below between the Tennessee Department of Agriculture (TDA) and the undersigned applicant (Pilot Producer), collectively "the Parties."

WHEREAS, industrial hemp is a controlled substance under state and federal law and its possession and distribution are prohibited absent particular exceptions;

WHEREAS, pursuant to state law, TDA is charged with responsibility to license and regulate persons who cultivate or processes industrial hemp in Tennessee;

WHEREAS, pursuant to the federal Controlled Substances Import and Export Act and the federal Agricultural Act of 2014, permissible growth of industrial hemp and distribution of its seed in Tennessee is limited to activities by TDA through a pilot program or institutions of higher education in Tennessee for purposes of agricultural or academic research;

WHEREAS, TDA created its Industrial Hemp Pilot Program to research the growth, cultivation, and marketing of industrial hemp;

WHEREAS, the pilot program establishes an agency relationship with cultivators and processors, who operate as extensions of TDA for purposes of research on the growth, cultivation, and marketing of industrial hemp;

WHEREAS, the pilot program is operated as a zero sum program such that its financial resources are limited to those license fees and other necessary expenses paid by the program's participants; and,

WHEREAS, Pilot Producer wishes to participate in TDA's Industrial Hemp Pilot Program for the cultivation or processing of industrial hemp; now,

THEREFORE, premises considered, and for the Parties' mutual benefit and consideration of participating in TDA's Industrial Hemp Pilot Program,

TDA and Pilot Producer hereby agree as follows. **TDA will**, if applicable, register Pilot Producer as a limited extension of TDA for the sole purposes of researching the growth, cultivation, processing and marketing of industrial hemp, and will make reasonable effort to *(Pilot Producer to initial provisions in spaces provided, to indicate acknowledgment and agreement to the following)*:

1. Catalog data received, in cooperation with Pilot Producer, other program participants, and institutions of higher education in Tennessee, for improved methods and techniques in growing, cultivating, and marketing industrial hemp.

TDA recognizes that participation in its Industrial Hemp Pilot Program poses a significant cost on Pilot Producer in licensing fees and sampling and analysis expenses incident to regulation of the program. To defray these costs to program participants, TDA will forego any income or profits that Pilot Producer lawfully obtains through the disposition of his industrial hemp crop, provided that Pilot Producer reports to TDA: 1) all information required by regulation, and 2) the commercial details of any sale of Pilot Producer's industrial hemp or industrial hemp products.

Pilot Producer will:

- _____ 1. Assume a limited agency relationship with TDA for the sole purpose of researching industrial hemp and its growth, cultivation, and marketability.
- _____ 2. Pilot Producer will conduct himself and his agricultural operations in a lawful manner and one consistent with the standards otherwise befitting an official of the State of Tennessee. Pilot Producer recognizes that such standards are subject to the sole discretion and direction of TDA and the State of Tennessee.
- _____ 3. Abide by applicable laws and regulations incident to the growth, cultivation, processing or marketing of industrial hemp. Pilot Producer will intend in good faith to grow, cultivate, and/or market industrial hemp.
- _____ 4. Pilot Producer acknowledges that TDA cannot provide Pilot Producer with legal advice regarding operation of a business to produce industrial hemp or hemp products and agrees to seek actively the advice of an attorney for all substantive legal questions regarding production of industrial hemp.
- _____ 5. Acknowledge that any action—intended or incidental—that is contrary to applicable laws and regulations—known or unknown—falls outside the agency relationship of Pilot Producer with TDA and Pilot Producer’s participation in the Industrial Hemp Pilot Program. Pilot Producer acknowledges that this provision applies to all actions incident to his licensed cultivation or processing of industrial hemp, including but not limited to any sale or disposition of the resulting plants, plant materials, or seeds for which he may otherwise receive some benefit or consideration.
- _____ 6. Indemnify, hold harmless, and release forever the State of Tennessee, its departments, agencies, officers, employees, and agents of any kind from all liability claims arising out of Pilot Producer’s actions involving the cultivation or processing of industrial hemp.
- _____ 7. Warrant that Pilot Producer is not an employee of the State of Tennessee, as contemplated under Tenn. Code Ann. §8-42-101, and will assume total and sole responsibility for any of Pilot Producer’s acts or omissions involving the growth or production of industrial hemp or arising out of his participation in TDA’s Industrial Hemp Pilot Program.
- _____ 8. Allow any institution of higher education in Tennessee to access those sites registered by Pilot Producer with TDA for processing of industrial hemp. Such access shall be allowed upon notice from TDA to Pilot Producer and shall extend for all purposes determined at the discretion of TDA related to research of industrial hemp and its growth, cultivation, and marketing.
- _____ 9. Allow upon request federal, state, or local authorities to inspect and/or sample the industrial hemp growing area, plants, plant materials, seeds, equipment, or facilities incident to the growth, cultivation, or marketing of industrial hemp.
- _____ 10. Remit to TDA all license fees and other expenses of the Pilot Program, including but not limited to all fees related to 1) sampling and analysis of hemp plants and plant materials and 2) destruction of resulting hemp crops found by TDA to be non-compliant with applicable laws and regulations.
- _____ 11. Agree that with respect to Pilot Producer’s production of industrial hemp, TDA’s role is to fulfill regulatory oversight of the hemp’s cultivation and processing, and where possible, to facilitate receipt of viable seed. Pilot

Producer understands and agrees that he shall not receive compensation or wages from TDA and TDA will not offer financial resources, tangible products, or commercial labor in support of Pilot Producer's industrial hemp crop.

- _____ 12. Adhere narrowly to the research focus for which Pilot Producer is participating in the Industrial Hemp Pilot Program, if applicable, to include one or more of the following:
- a. Planting/growing—tracking vital statistics and yield rates with respect to industrial hemp varieties and growing variables, including seed planting rate, soil composition, water usage, and planting/growing season.
 - b. Pest—tracking occurrence of pests and effectiveness of various preventative measures in correlation with industrial hemp varieties.
 - c. Cost centers and financing—tracking average cost estimates of producing industrial hemp varieties, taking into account costs of participation in the Industrial Hemp Pilot Program, product acquisition, water usage, equipment, labor, and security measures, etc., and reporting financial resources available for production of industrial hemp.
 - d. Marketing and product/industry development—reporting market demand for industrial hemp varieties' raw materials and end products, including identification of actual or potential hemp products, processors, product manufacturers, wholesalers, retailers, and targeted consumers.
- _____ 13. Complete and submit all reports and/or statements requested by TDA relative to Pilot Producer's cultivation or processing of industrial hemp, and further provided that a failure to submit any required or requested report may result in revocation of Pilot Producer's industrial hemp license.
- _____ 14. Will notify the TDA prior to the destruction of any industrial hemp or 30 days prior to harvesting any material.
- _____ 15. Understand and agree that any industrial hemp cultivated or processed not in accordance with TDA regulations falls outside Pilot Producer's limited agency with TDA and may be prosecuted under applicable state and federal law.
- _____ 16. Destroy and/or dispose at the direction of TDA any industrial hemp or industrial hemp product determined by TDA to be non-compliant with applicable laws or regulations.
- _____ 17. Use best management practices for the growth and production of industrial hemp, as available, and take reasonable precaution to prevent unauthorized growth or distribution of industrial hemp, e.g.:
- a. Keep records—including name, telephone number, and address—of all persons with access to the growing area or hemp plants, plant materials, or seeds.
 - b. Use case hardened locks and chains to limit access to storage areas where hemp plants, plant materials, or seeds are kept. Control possession of keys to locks. Ensure locks are tamper resistant and in working condition.
 - c. Mark equipment and plants, if possible, with owner applied numbers.
 - d. Block private access roads to the growing area(s) with gates or barricades. Post "No Trespassing" signs on gates, barricades, and other landmarks near the growing area(s) and facilities.

- e. Install reasonable security measures to prevent theft, e.g. motion sensor lighting, fencing, game cameras, etc. Post signs indicating that cameras are used to record activity on the property.
- f. Inspect and record regularly the condition of the growing area(s), facilities, and equipment used in the production of industrial hemp.
- g. Conduct regular inventory counts of hemp plants, plant materials, and seeds in order to recognize more quickly if a theft has occurred.
- h. Contact local law enforcement to help identify additional security measures and encourage patrols near the growing area(s).
- i. Report to local law enforcement any suspicious activity and/or the presence of strangers near the growing area(s) or facilities. Note any such stranger's physical appearance and vehicle information, including make, model, color, and license plate number if possible.
- j. Report stolen, lost, or missing hemp plants, plant materials, or seeds to TDA and law enforcement authorities as soon as the items are noticed to be missing.

_____ 18. Inspect timely any growing area, previously licensed under Pilot Producer, for the appearance of industrial hemp volunteers and report any such unintended growth to TDA.

_____ 19. Comply with any directive from TDA's Plant Certification Administrator with respect to the growth, cultivation, processing or marketing of industrial hemp not otherwise contemplated within this Memorandum of Understanding.

The Parties agree that this Memorandum supersedes all existing memoranda of understanding between them, including any supplements or amendments thereto, with respect to TDA's Industrial Hemp Pilot Program. The Parties further agree that this Memorandum shall be effective only during the period of Pilot Producer's licensure to cultivate or process industrial hemp that immediately follows the Memorandum's effective date. The Memorandum shall be renewable only upon effective renewal of Pilot Producer's Industrial Hemp License and a subsequent signed, written agreement between the Parties.

PILOT PRODUCER

By: _____ Print: _____

Date: _____

Its: _____

TENNESSEE DEPARTMENT OF AGRICULTURE, DIVISION OF CONSUMER & INDUSTRY SERVICES

By: K.David Waddell

Date : _____

Its: Administrative Director

Please return your application and payment to: industrial.hemp@tn.gov or Mail to: Industrial Hemp Program , PO Box 40627 Nashville, TN 37204

Payment Requirements: \$250- less than 5 acres, \$300- 5 to 20 acres, \$350- more than 20 acres
Credit card payments accepted by calling 615-837-5137

Pilot Producer to initial provisions in spaces provided, to indicate acknowledgment to the following:

Chapter 0080-06-28

Industrial Hemp

0080-06-28-.01 Scope.

- (1) This chapter applies to any person who cultivates, processes, or distributes industrial hemp.
- (2) All distribution of industrial hemp and industrial hemp products in commerce is permissible to the extent of the department's authority under the Act and is conducted for the purpose of researching the marketability of industrial hemp through the department's industrial hemp pilot program. This research initiative includes the distribution of any industrial hemp cultivated or processed by a person licensed under this chapter and the distribution in this state of any industrial hemp or hemp product lawfully cultivated or processed under the jurisdiction of a foreign state.
- (3) Neither the Act nor this chapter exempt any person from enforcement of other regulations applicable to particular uses of industrial hemp, including but not limited to food safety regulations for food products and feed regulations for commercial feed products.
- (4) Persons licensed under this chapter shall be responsible for operations conducted under their license until either the applicable license expires or the department receives written notification from the licensee desiring to terminate the license. The department shall not refund fees for early termination of any license issued under this chapter.
- (5) Licenses issued under this chapter are not transferable from person to person.
- (6) Licenses issued under this chapter are not transferable from location to location without prior written authorization from the department. Once a license is issued for a particular growing area, the department shall not authorize changes to increase or relocate the growing area absent extraordinary circumstances.

Initial Here: _____

Authority: T.C.A. §§ 4-3-203 and 43-26-103.

0080-06-28-.02 Definitions.

- (1) Terms in this chapter share those meanings of terms set forth in the Tennessee Right to Farm Act, T.C.A. §43-26-101, et seq.

- (2) When used in this chapter, unless the context requires otherwise:
- (a) Act means the Tennessee Right to Farm Act, compiled at T.C.A. §43-26-101, et seq.;
 - (b) Cannabis plant means any plant or any part of a plant of the genera Cannabis and includes industrial hemp;
 - (c) Certified seed, grown from certified seed, or words of similar import mean:
 - 1. Grown from industrial hemp seed certified by a certifying agency as defined in T.C.A. §43-10-103; or,
 - 2. Grown from a lineage of mother plants that originated by growth from seed certified by a certifying agency as defined in T.C.A. §43-10-103;
 - (d) Commerce or words of similar import mean involving payment for an item or payment for services incident to production of the item;
 - (e) Growing area means any contiguous land area for the growth of industrial hemp. Bifurcation of a growing area by roads, thoroughfares, fencing or the like shall not render the area non-contiguous under this definition;
 - (f) Landrace varieties, seed or propagules derived from landrace varieties, or words of similar import mean any plant material grown from an industrial hemp variety found within the continental United States that is not traceable to growth from certified seed;
 - (g) License or words of similar import mean a valid license or registration issued under this chapter;
 - (h) Mother plant means an industrial hemp plant from which propagules are cultivated;
 - (i) Move, distribute, transport, or words of similar import mean to relocate in any manner an item from one real property to another;
 - (j) Nonviable means unable to regenerate, reproduce, or survive;

- (k) Person means an individual, partnership, corporation, or any other form of legal entity;
- (l) Process industrial hemp means to treat or transform harvested industrial hemp from its natural state for distribution in commerce;
- (m) Propagule means any viable plant material cultivated from a mother plant;
- (n) Sample or sampling means any cannabis plant or other material taken by the department from a location licensed for the cultivation or processing of industrial hemp;
- (o) Stop movement order means a written directive issued by the department to prohibit or limit the movement of plants or plant parts;
- (p) THC means delta-9 tetrahydrocannabinol; and,
- (q) University means an institution of higher education as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C.A. §1001), located within the state that offers one or more baccalaureate or post-graduate level programs of study in agricultural sciences.

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Authority: T.C.A. §§ 4-3-203 and 43-26-103.

0080-06-28-.03 License Application and Fees.

- (1) All persons to whom these rules apply shall obtain a license in accordance with this chapter prior to conducting any activity for which a license is required.
- (2) To be eligible for a license, an applicant must either be selected by the department for participation in the department's industrial hemp pilot program or be a university conducting agricultural or academic research.
 - (a) Non-university applicants may obtain licensure for participation in the department's industrial hemp pilot program. The department may select or limit in its discretion all participants in the program for the improvement or design of agricultural research related to industrial hemp and its growth, cultivation, or marketability. The department shall not select for participation in this program any person who has been convicted of a felony drug-related offense within the previous ten years. Non-university applicants in the industrial hemp pilot program shall sign a memorandum of understanding with the department regarding the parameters and manner of research conducted within the program.

- (b) A university applicant shall submit with its application a statement of research goals and parameters related to its cultivation or processing of industrial hemp and proof of its status as an institution of higher education as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C.A. §1001). University applicants are not required to sign a memorandum of understanding with the department.
- (3) Application for any license under this chapter shall be made on forms provided by the department, which shall be completed in full and may include:
- (a) Name of the applicant;
 - (b) Date of birth of any applicant who is an individual or a partner in a general partnership;
 - (c) Proof of one of the following for any applicant that is not an individual or a partner in a general partnership:
 - 1. Applicant's registration in its state of incorporation; or,
 - 2. Applicant's business license issued by a local governmental authority;
 - (d) Contact information for applicant, to include name of person legally responsible for applicant's operations, telephone number, email address, and address of the principal place of business;
 - (e) Address of any location to be licensed for growth of industrial hemp and description of all growing areas at the location, including total number of growing acres and Global Positioning System (GPS) coordinates from the areas' central most points;
 - (f) Address of any location to be registered for fixed processing of industrial hemp;
 - (g) Vehicle identification number of any facility to be registered for mobile processing of industrial hemp;
 - (h) Address of any location where the applicant intends to store industrial hemp or hemp products;
 - (i) Intended disposition of any industrial hemp cultivated or processed under the license;

- (j) A statement signed by an owner of the real property or facility submitted for licensure, indicating the owner's consent for its use to cultivate or process industrial hemp;
 - (k) A statement signed by an owner of the real property or facility submitted for licensure, indicating the owner's consent for the department to enter those premises as necessary for departmental inspection, sampling, and enforcement of the Act and this chapter;
 - (l) Quantity, form, and location of any viable industrial hemp carried over as inventory from a prior licensure year; and,
 - (m) Other information as required by the department.
- (4) An applicant may identify up to one authorized reporting agent for each license. Authorized reporting agents and licensees shall be the only persons authorized to report information or data to the department regarding a license, to request sampling or sampling results, to receive movement permits, and to otherwise communicate with the department regarding the license or licensed activity. A licensee shall be responsible for all activity conducted by an authorized reporting agent with respect to the license. To authorize a reporting agent, the applicant must include the reporting agent's name, telephone number, and email address in application records.
- (5) Licensees shall notify the department of any changes to the information or contents of an application within 30 days after the change takes place.
- (6) Applicants for licensure shall include with their application payment of an annual license fee as appropriate for the following categories of licenses.
- (a) Industrial Hemp Grower License. An industrial hemp grower license is required per person for each physical address where the person cultivates industrial hemp. There is no limit to the number of growing areas a licensee may cultivate at a licensed address. No grower license shall be issued for a growing area within ten miles of a certified seed license growing area without the certified seed licensee's consent. The annual fee for an industrial hemp grower license is assessed under T.C.A. §43-1-703(f) and is determined according to the total size of growing area(s) at the licensed address as follows:
 1. Less than 5 acres: Tier 6 fee; \$250
 2. 5 acres to 20 acres: Tier 7 fee; \$300
 3. More than 20 acres: Tier 8 fee. \$350

- (b) Industrial Hemp Certified Seed License. An industrial hemp certified seed license is required for any person who cultivates industrial hemp for certified seed. There is no limit to the number of locations or growing areas a licensee may cultivate for certified seed, provided that the growing areas are identified at the time of application for the license including address, size, and GPS coordinates from the areas' central most points. No certified seed license shall be issued for a growing area within ten miles of another certified seed license growing area without the consent of both certified seed licensees. An applicant for a certified seed license must submit evidence of membership with the Tennessee Crop Improvement Association. The fee for an industrial hemp certified seed license is a Tier 8 annual fee (\$350) under T.C.A. §43-1-703(f).
 - (c) Industrial Hemp Processor Registration. Any person who processes industrial hemp for distribution in commerce shall annually register with the department each processing facility where the person processes industrial hemp. There is no fee for a processor registration; however, exemption from fee requirements shall not exempt any person from other regulations applicable to the cultivation, processing, possession, or distribution of industrial hemp, including but not limited to requirements regarding record keeping and availability for inspection.
 - (d) University License. A university license may be issued to qualified university applicants in lieu of any license or registration otherwise required under this chapter. There is no annual fee for a university license.
- (7) Applicants for licensure shall submit an application and the appropriate annual license fee to the department between November 15 and February 15 of each year. All licenses issued under this chapter shall be valid from the following March 1 through February 28 (February 29 in leap years). Licenses issued under this chapter shall not renew automatically, and therefore are not subject to late renewal charges. If payment of the appropriate annual license fee is not received by the department by February 15, the application for a license shall be deemed incomplete and denied.
- (8) The department may deny any application for licensure that is not completed in accordance with this rule.

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Authority: T.C.A. §§ 4-3-203 and 43-26-103.

0080-06-28-.04 Acquisition of Seed and Propagules.

- (1) Acquisition.
 - (a) Each licensee shall be responsible for acquisition and transport of seed or propagules used for growth of industrial hemp. Prior to acquisition of propagating material, the licensee shall submit on forms provided

by the department a seed acquisition request, which may require:

1. A copy of the industrial hemp license for which the propagating material is requested;
 2. The scientific or common name for the variety requested;
 3. The name, address, telephone number, and email address of the person providing the requested material;
 4. Evidence that the source of the variety is:
 - (i) A university;
 - (ii) A state department of agriculture authorized to conduct an industrial hemp pilot program. If the source is a pilot program participant in this or another state, a copy of that participant's industrial hemp license is sufficient to fulfill this requirement; or,
 - (iii) A lawful vendor of industrial hemp in the jurisdiction where it is distributed;
 5. The form of material to be acquired (e.g. seed, seedlings, cuttings, etc.);
 6. The quantity in pounds of seed or number of propagules to be acquired;
 7. Test results from an ISO-accredited or state department of agriculture approved, third-party laboratory certifying that material from the variety has been shown to contain no more than 0.3% THC on a dry mass basis; and,
 8. Evidence that the licensee is authorized to propagate industrial hemp from the material, if applicable.
- (b) Completion of a seed acquisition request for a landrace variety shall fulfill its registration requirement under the Act.
- (c) Prior to cultivation by any licensee, all propagating material acquired through the department's controlled

substance registration or acquired for growth by non-university licensees shall first be inventoried by the department at: Tennessee Department of Agriculture, Industrial Hemp Pilot Program, 436 Hogan Road, Nashville, Tennessee 37220.

- (d) Acquisition of all industrial hemp shall comply with movement requirements of this chapter.

- (2) Costs. Licensees shall pay all costs incurred for acquisition and delivery of any seed or propagules, including but not limited to costs for procurement, taxes, shipping, and customs brokerage. These costs may be incurred in the sole discretion of the department and are payable by licensees to the department or the department's designee upon reasonable notice. Failure to pay these costs in accordance with a departmental directive shall be grounds for cancellation of any seed or propagule procurement order and revocation of any license issued under this chapter.

- (3) Pilot program design. The department may select or limit any propagating material used in the industrial hemp pilot program for compliance with this chapter or for the improvement or design of agricultural research related to industrial hemp and its growth, cultivation, or marketability.

- (4) Use agreements. Licensees shall not use or possess seed or propagules unless expressly authorized by and in conformity with any applicable use agreement with the mother plant's seed breeder.

- (5) Each cannabis plant cultivated from material acquired not in conformance with this rule shall constitute a separate violation of this chapter.

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Authority: T.C.A. §§ 4-3-203 and 43-26-103.

Rule 0080-06-28-.05 Violations is amended by deleting the rule in its entirety and substituting instead the following language so that, as amended, the rule shall read:

0080-06-28-.05 Crop Distribution, Destruction, and Return.

- (1) Distribution.
 - (a) Nonviable. Any person—with or without a license issued under this chapter—may distribute or store nonviable industrial hemp or hemp products if the industrial hemp was grown or processed by a person

licensed under this chapter or the industrial hemp was acquired from a person in a foreign jurisdiction where distribution of the material or product was lawful.

- (b) Viable. Only the department and licensees may distribute viable industrial hemp material.
1. Unlicensed possession of viable industrial hemp material is prohibited and shall be considered possession of marijuana under the Act.
 2. Licensees may distribute viable industrial hemp material only to persons licensed under this chapter, out-of-state universities, or out-of-state departments of agriculture authorized to conduct industrial hemp pilot programs in their states.
 3. Prior to shipment of viable industrial hemp material out-of-state, the material must first be inventoried by the department at: Tennessee Department of Agriculture, Industrial Hemp Pilot Program, 436 Hogan Road, Nashville, Tennessee 37220.
- (c) Distribution of all industrial hemp and hemp products shall comply with movement requirements of this chapter.
- (2) Destruction. Cannabis plants found to be in violation of the Act or this chapter shall be destroyed in accordance with a departmental directive or destruction order.
- (3) Return. The department may return to its sender any industrial hemp in the department's possession that was requested for shipment or distribution to an ineligible person or that was not approved for use in the industrial hemp pilot program. The department may destroy any industrial hemp that is not retrieved by its intended recipient or return sender in a timely manner.
- (4) Costs. Licensees shall pay all costs incurred for distribution, delivery, destruction or return of any cannabis plant or plant product. These costs may be incurred in the sole discretion of the department and are payable by licensees to the department or the department's designee upon reasonable notice. Failure to pay these costs in accordance with a departmental directive shall be grounds for revocation of any license issued under this chapter.

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Authority: T.C.A. §§ 4-3-203 and 43-26-103.

- (1) All movement of industrial hemp must comply with acquisition and distribution requirements of this chapter. Out-of-state movement of industrial hemp may occur only by lawful passage through states that have authorized the possession and distribution of industrial hemp.
- (2) Any person may move nonviable industrial hemp or hemp products without a movement permit.
- (3) Only licensees may move viable industrial hemp or hemp products. Licensees shall not move viable industrial hemp without a valid movement permit issued by the department.
- (4) When required by this rule, industrial hemp movement permits are required per vehicle per day the vehicle is used to move industrial hemp or hemp products. Movement permits authorize only the movement that occurs within the state. To receive a movement permit, the licensee shall submit a movement permit request on forms provided by the department, which may require:
 - (a) The industrial hemp license number for which movement is requested;
 - (b) Origin and destination of movement;
 - (c) Date and time of intended movement;
 - (d) Description of industrial hemp parts or hemp products to be moved;
 - (e) Weight, volume, or number of units of material to be moved;
 - (f) Names of individuals moving the material; and,
 - (g) Make, model, color, and license plate number of vehicle(s) to be used in moving the material.
- (5) Requests for movement permits must be submitted to the department at least three business days prior to movement.
- (6) The department may deny any application for a movement permit that is not completed in accordance with this

rule.

- (7) Each cannabis plant or plant product moved not in conformity with this rule shall constitute a separate violation of this chapter.

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Authority: T.C.A. §§ 4-3-203 and 43-26-103.

0080-06-28-.07 Sampling and Inspections.

- (1) Scope of inspections. The department may enter during normal business hours any location licensed by the department, for purposes of inspecting any cannabis plant, record, or other material as necessary for the efficient enforcement of the Act and this chapter. Inspections of processors under this chapter are limited to sampling of cannabis plants or plant products and observation of record keeping requirements; the inspections do not evaluate or endorse in any manner the chemical or physical processes used by the processor or the safety of those processes in the workplace.
- (2) Sampling. The department may conduct sampling of any cannabis plant or other material at a location licensed by the department. A sample collected according to uniform protocols approved by the commissioner shall be deemed representative of the location, growing area, or lesser lot from which the sample was obtained. After the department obtains a sample, licensees shall not move any cannabis plant or plant product from the area represented by the sample until the department determines the sample tests no higher than 0.3% THC on a dry mass basis.
- (3) Test results exceeding 0.3% THC. Any sample test result higher than 0.3% THC concentration on a dry mass basis shall be conclusive evidence that one or more cannabis plants or plant products from the area represented by the sample contain a THC concentration in excess of that allowed under the Act and shall be grounds for issuance of stop movement and destruction orders for any plants or materials within the area represented by the sample.
- (4) Destruction of any plants or plant products under this rule shall be performed in accordance with a directive from the department, which may include destruction by any means necessary for reasonable assurance that all cannabis plants exceeding allowable limits of THC concentration are destroyed, e.g. by removal and incineration, field burning, deep burial, or other means authorized by the department. Any licensee aggrieved by an order issued under this chapter may petition the department for review of the order under the Uniform Administrative Procedures Act. Petitions for review of the order must be submitted to the department in writing within ten days of the order being issued. If no petition is filed with the department within the ten day period, the department's order shall become final and will not be subject to review. For purposes of any hearing under this chapter, any cannabis plant grown or processed by a licensee under the department's industrial hemp pilot program shall be

considered property of the department for researching the growth, cultivation, and marketability of industrial hemp and not a legal right, duty, or privilege of the licensee.

- (5) Laboratory analysis costs. Licensees shall pay a Tier 4 laboratory analysis fee (\$150) under T.C.A. §43-1-703(f) for each sample collected by the department.

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Authority: T.C.A. §§ 4-3-203 and 43-26-103.

0080-06-28-.08 Agronomic Reports.

- (1) Prior to the end of each licensure year or upon reasonable notice from the department, each non-university licensee shall submit a completed agronomic report on forms provided by the department. Reports may require information on various points of research interest and shall include description of any known commercial distributions of industrial hemp or hemp products.
- (2) University licensees are not required to submit an agronomic report.

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Authority: T.C.A. §§ 4-3-203 and 43-26-103.

0080-06-28-.09 Violations.

- (1) Industrial hemp shall be considered marijuana when distributed or possessed by any person not authorized under the Act or this chapter.
- (2) In addition to other requirements of this chapter, licensees shall:
 - (a) Upon request by the department, provide full and accurate information regarding the person's cultivation or processing of industrial hemp;
 - (b) Comply with any order issued by the department regarding cultivation, processing, distribution, research,

or destruction of industrial hemp;

- (c) Pay all fees associated with licensure, participation in the department's industrial hemp pilot program, and costs arising out of procurement, distribution, sampling, or destruction of cannabis plants or plant products;
- (d) Pay all required fees within the time prescribed by the Act or this chapter. If time for payment of costs and fees is not prescribed by the Act or this chapter, licensees shall pay such fees upon reasonable notice issued by the department; and,
- (e) Participants in the department's industrial hemp pilot program shall conduct themselves in a professional manner befitting a representative of the department.

(3) In addition to other requirements of this chapter, licensees shall not:

- (a) Knowingly provide any false, misleading, or incorrect information regarding the person's cultivation or processing of cannabis plants;
- (b) Cultivate, process, move, or distribute cannabis plants other than industrial hemp;
- (c) Interfere with an authorized representative of the department in the performance of his duties;
- (d) Market or represent industrial hemp or hemp products to be marijuana or any illicit substance in any form;
- (e) Violate any quarantine, stop movement order, or destruction order issued by the department;
- (f) Violate any memorandum of understanding to which the licensee is a party;
- (g) Violate any applicable seed or use agreement;
- (h) Move industrial hemp in conflict with any movement permit issued by the department; or,
- (i) Cultivate or process industrial hemp in an area not licensed by the department.

- (4) A person is responsible for violations of the Act or this chapter when committed by either the person or his agent.

- (5) Each violation of the Act or this chapter is grounds for issuance of stop movement or destruction orders against any cannabis plant held by the violator or his agent; denial or revocation of any license issued under this chapter; actions for injunction; and imposition of civil penalties or criminal charges against the violator.

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Authority: T.C.A. §§ 4-3-203 and 43-26-103.