



# PREPROPOSAL STATEMENT OF INQUIRY

**CR-101 (October 2017)**  
**(Implements RCW 34.05.310)**  
Do **NOT** use for expedited rule making

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FILED

**DATE: September 19, 2018**

**TIME: 8:09 AM**

**WSR 18-19-097**

**Agency:** Department of Agriculture

**Subject of possible rule making:** Chapter 16-305 WAC, Industrial Hemp Research Program. The Department is considering the following changes:

- Increasing Industrial Hemp Research Program licensing fees to include:
  - A single grower or processor/marketer license fee increasing from \$300 to approximately \$7,500
  - A combination (grower and processor/marketer license fee increasing from \$300 to approximately \$14,500
  - A seed distributor license fee increasing from \$300 to approximately \$7,500
- Reducing the application fee for a combination (grower and processor) license from \$800 to \$450

Additionally, the Department is considering revising how application and licensing fees are calculated.

**Statutes authorizing the agency to adopt rules on this subject:** RCW 15.120.030

**Reasons why rules on this subject may be needed and what they might accomplish:** The Department is considering amending WAC 16-305-220 to increase application and licensing fees for participation in the voluntary Industrial Hemp Research Program. The Department is also considering revising how application and licensing fees are calculated. The current fee structure does not support the operational costs of the program. During the 2018 legislative session, the Program received funding for one additional year. By increasing fees, the Department aims for the Industrial Hemp Research Program to be self-sustaining so that it can operate beyond the one additional year funded by the Legislature. By considering revising how application and licensing fees are calculated, the Department can identify options that would ensure adequate funding for the program.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** The department will provide notice of the proposed rules to federal agencies involved with regulating industrial hemp, such as USDA and DEA, and to the state Liquor and Cannabis Board and will consider timely comments from those agencies in the development of the proposed rules.

**Process for developing new rule (check all that apply):**

- ☐ Negotiated rule making  
☐ Pilot rule making  
☐ Agency study  
☒ Other (describe) The department will make available through its industrial hemp listserv

(<https://listserv.wa.gov/cgi-bin/wa?SUBED1=AGR-INDUSTRIAL-HEMP&A=1>) and on its website

(<https://agr.wa.gov/LawsRules/Rulemaking/default.aspx>) opportunities for interested parties to provide input on the subject of this rulemaking. Affected stakeholders will also have an opportunity to submit written comments on the proposed rules during the public comment period and will be able to present oral testimony at the public hearing.

**Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:**

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(If necessary)

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Other:

Additional comments:

**Date:** September 19, 2018

**Name:** Jessica Allenton

**Title:** Assistant Director

**Signature:**

