# Amendment No. 201

| Assembly Amendment to Assembly Bill No. 249                                   |      |                  |               | (BDR 51-719)     |  |
|---|------|------------------|---------------|------------------|--|
| Proposed by: Assembly Committee on Natural Resources                          |      |                  |               |                  |  |
| Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes |      |                  |               |                  |  |
|   |      |                  |               |                  |  |
| ASSEMBLY ACTION   |      | Initial and Date | SENATE ACTION | Initial and Date |  |
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EXPLANATION: Matter in (1) blue bold italics is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) red strikethrough is deleted language in the original bill; (4) purple double strikethrough is language proposed to be deleted in this amendment; (5) <u>orange double underlining</u> is deleted language in the original bill proposed to be retained in this amendment.

AMD/ERS

Date: 4/14/2023

A.B. No. 249-Enacts provisions relating to the use of hemp in certain commercial feed. (BDR 51-719)



## ASSEMBLY BILL NO. 249-COMMITTEE ON NATURAL RESOURCES

## MARCH 3. 2023

# Referred to Committee on Natural Resources

SUMMARY-Enacts provisions relating to the use of hemp in certain commercial feed. (BDR 51-719)

Effect on Local Government: No. FISCAL NOTE: Effect on the State: Yes.

EXPLANATION – Matter in *bolded italics* is new: matter between brackets for its material is material to be omitted.

AN ACT relating to agriculture; authorizing the use of hemp in certain commercial feed under certain circumstances: prohibiting, with certain exceptions. the manufacture, distribution or sale in this State of commercial feed containing hemp for consumption by any livestock other than horses; authorizing a research facility to submit an application to the State Department of Agriculture to conduct a study concerning animal feed and the use and impact of hemp products on livestock other than horses; authorizing the Department to adopt regulations establishing the application process; authorizing the [State] Department [of Agriculture] and the Director of the Department to take certain actions against an applicant for a license to manufacture, distribute or be a guarantor of commercial feed or a licensee for certain violations relating to commercial feed containing hemp; providing that certain commercial feed containing hemp shall not be deemed adulterated under certain circumstances; and providing other matters properly relating thereto.

#### Legislative Counsel's Digest:

Existing law establishes provisions for the manufacture, distribution and labeling of commercial feed for animals. (NRS 587.841-587.899) Section 3 of this bill: (1) authorizes the use of hemp in pet food, specialty pet food and other commercial feed intended for consumption by horses if the commercial feed is manufactured, distributed and sold exclusively in this State for use in this State; and (2) requires the State Department of Agriculture to adopt regulations relating to such commercial feed. Section 3 prohibits the manufacture, distribution and sale in this State of commercial feed containing hemp for consumption by any livestock other than horses.

123456789 Section 3.5 of this bill: (1) authorizes a research facility to submit an application to 10the Department to conduct a study concerning animal feed that includes research on the 11 use and impact of hemp products on livestock other than horses; (2) requires any such 12 research to comply with applicable federal laws and requirements prescribed by the 13 Department; and (3) provides that an animal fed with feed containing hemp, or any products from such an animal, may not be distributed or sold into interstate commerce. 14 Section 3.5 also authorizes the Department to adopt regulations establishing the 15

application process. Section 2 of this bill defines the term "hemp." Section 4 of this bill
makes conforming changes to indicate the proper placement of sections 2, [and] 3 and 3.5 in
the Nevada Revised Statutes.

Section 5 of this bill provides that the provisions of section 3 do not apply to customerformula feed or a contract feeder. Section 6 of this bill authorizes the Department to refuse to issue or renew or to suspend, revoke or place conditions on an applicant for a license to manufacture, distribute or be a guarantor of commercial feed or a licensee for a violation of section 3. Section 8 of this bill authorizes the Director of the Department or a representative of the Department to take certain actions against a licensee who does not comply with the provisions of section 3. Sections 9 and 10 of this bill provide that certain civil penalties may be imposed for violations of section 3.

Existing law provides it is unlawful for a person to adulterate commercial feed. (NRS 587,889) Section 7 of this bill provides that pet food, specialty pet food and other commercial feed intended for consumption by horses shall not be deemed adulterated solely because the commercial feed contains hemp if the commercial feed is manufactured and distributed in accordance with the provisions of section 3 and any regulations adopted pursuant thereto.

# THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

| 1        | Section 1. Chapter 587 of NRS is hereby amended by adding thereto the               |
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| 2<br>3   | provisions set forth as sections 2, [and] 3 and 3.5 of this act.                    |
| 3        | Sec. 2. "Hemp" has the meaning ascribed to it in NRS 557.160.                       |
| 4        | Sec. 3. 1. Pet food, specialty pet food and other commercial feed that is           |
| 5        | intended for consumption by horses may contain hemp if such commercial feed is      |
| 6        | manufactured, distributed and sold exclusively in this State for use in this State. |
| 7        | 2. Commercial feed containing hemp shall not be manufactured, distributed           |
| 8        | or sold in this State for consumption by any livestock other than horses.           |
| 9        | 3. The Department shall adopt regulations to carry out the provisions of this       |
| 10       | section, which may include, without limitation, specific requirements for the       |
| 11       | labeling and inspection of commercial feed containing hemp.                         |
| 12       | Sec. 3.5. <u>1. A research facility may submit an application to the</u>            |
| 13       | Department to conduct a study concerning animal feed that includes research on      |
| 14       | the use and impact of hemp products on livestock other than horses. The             |
| 15       | application must include a detailed description of the study, including, without    |
| 16       | limitation:   |
| 17       | (a) The goals of the study;   |
| 18       | (b) The scope of the study;   |
| 19       | (c) The methods to be used in conducting the study;                                 |
| 20       | (d) The duration of the study; and  |
| 21       | (e) Any other information that is requested by the Department.                      |
| 22       | 2. Any research conducted pursuant to this section must comply with any             |
| 23<br>24 | applicable federal laws and any requirements prescribed by the Department,          |
| 24       | including, without limitation, that an animal fed with feed containing hemp, or     |
| 25       | any products from such an animal, may not be distributed or sold into interstate    |
| 26<br>27 | commerce after the study is completed.  |
| 27       | 3. The Department may adopt regulations to carry out the provisions of this         |
| 28       | section.  |
| 29       | Sec. 4. NRS 587.841 is hereby amended to read as follows:                           |
| 30       | 587.841 As used in NRS 587.841 to 587.899, inclusive, and sections 2_               |
| 31       | [and] 3 and 3.5 of this act, unless the context otherwise requires, the words and   |
| 32       | terms defined in NRS 587.843 to 587.861, inclusive, and section 2 of this act have  |

33 the meanings ascribed to them in those sections.

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Sec. 5. NRS 587.863 is hereby amended to read as follows: 587.863 1. The provisions of NRS 587.841 to 587.899, inclusive, and sections 2, [and] 3 and 3.5 of this act do not apply to customer-formula feed, or a manufacturer, distributor or guarantor thereof, or a contract feeder. 2. As used in this section: (a) "Contract feeder" means a person who as an independent contractor feeds commercial feed to animals pursuant to a contract whereby the commercial feed is supplied, furnished or otherwise provided to the person and whereby the person's remuneration is determined in whole or in part by feed consumption, mortality, profits or the amount or quality of the product. (b) "Customer-formula feed" means commercial feed which consists of a mixture of commercial feeds or ingredients, each batch of which is manufactured according to the specific instructions of the final purchaser. **Sec. 6.** NRS 587.869 is hereby amended to read as follows: 587.869 1. Except as otherwise provided in subsection 2 and NRS 587.871, the Department shall issue a license to or renew the license of an applicant who files with the Department a complete application and pays the fee established by the Department pursuant to NRS 587.867. The Department may refuse to issue or renew or may suspend, revoke or place conditions on a license for a violation of any provision of NRS 587.841 to 587.899, inclusive, and sections 2, [and] 3 and 3.5 of this act, but no license may be refused, suspended or revoked or have conditions imposed upon its issuance pursuant to this section until the Department has provided the applicant or licensee an opportunity for a hearing. Sec. 7. NRS 587.889 is hereby amended to read as follows: 587.889 1. It is unlawful for a person to adulterate commercial feed. 2. For the purposes of subsection 1, commercial feed is adulterated if: (a) It contains a poisonous or deleterious substance which may cause it to be injurious to the health of an animal:

(b) It contains a poisonous, deleterious or nonnutritive substance which is unsafe pursuant to section 406 of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 346;

(c) It contains a food additive which is unsafe pursuant to section 409 of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 348;

(d) It is a raw agricultural commodity that contains a pesticide which is unsafe pursuant to section 408 of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 346a. unless:

(1) The raw agricultural commodity has been processed using a method such as canning, cooking, freezing, dehydrating or milling;

40 (2) The residue of the pesticide has been removed to the extent possible 41 through such a method;

42 (3) The concentration of the pesticide in the commercial feed is not greater 43 than the tolerance prescribed for the raw agricultural commodity; and

44 (4) Feeding the commercial feed to an animal is not likely to result in a pesticide residue in any edible product of the animal which is unsafe within the 45 46 meaning of section 408 of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 47 346a:

48 (e) It contains any color additive which is unsafe pursuant to section 721 of the 49 Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 379e;

50 (f) It contains an animal drug which is unsafe pursuant to section 512 of the 51 Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 360b;

52 (g) It contains any filthy, putrid or decomposed substance or is for any other 53 reason unfit to be used as commercial feed;

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(h) It has been prepared, packaged or held under unsanitary conditions 2 whereby it may have become contaminated with filth or may have been rendered 3 injurious to the health of an animal; 4

(i) It contains the product of a diseased animal or an animal which has died in a manner which is unsafe within the meaning of section 402 of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 342;

(j) The container of the commercial feed is composed, in whole or in part, of any poisonous or deleterious substance which may render the commercial feed injurious to the health of an animal;

(k) It has been intentionally subjected to radiation, unless the use of the radiation was in conformity with a regulation or exemption in effect pursuant to section 409 of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 348;

(1) Any valuable component of the commercial feed has been, in whole or in part, omitted or abstracted;

(m) The composition or quality of the commercial feed is below or differs from that which is listed on the label:

(n) It contains a drug and the methods, facilities or controls used to manufacture, process or package the commercial feed do not conform to current practices of good manufacturing, unless the Department determines that such a practice is not appropriate for use in this State; or

(o) It contains viable weed seeds in an amount which exceeds the limits established by the Department. As used in this paragraph, "weed seeds" has the meaning ascribed to it in NRS 587.073.

3. Pet food, specialty pet food and other commercial feed that is intended for consumption by horses shall not be deemed adulterated solely because it contains hemp if such commercial feed is manufactured and distributed pursuant to section 3 of this act and any regulations adopted pursuant thereto.

Sec. 8. NRS 587.893 is hereby amended to read as follows:

587.893 1. If the Director or a representative of the Department has reasonable cause to believe that any commercial feed does not comply with the provisions of NRS 587.841 to 587.899, inclusive, and sections 2, [and] 3 and 3.5 of this act, the Director or a representative of the Department may issue an order that:

(a) Prohibits the licensee from disposing of the lot of commercial feed until written permission is provided by the Director; and

36 (b) Requires the licensee to allow the Director or a representative of the 37 Department to inspect the commercial feed.

38 2. If the Director or representative of the Department determines that the 39 commercial feed:

40 (a) Complies with the provisions of NRS 587.841 to 587.899, inclusive, and 41 sections 2, [and] 3 and 3.5 of this act, the Director or representative of the 42 Department must immediately rescind the order issued pursuant to paragraph (a) of 43 subsection 1.

(b) Does not comply with the provisions of NRS 587.841 to 587.899, inclusive, and sections 2, [and] 3 and 3.5 of this act, the Director or representative 44 45 of the Department must provide to the licensee an explanation of how the 46 47 commercial feed does not comply with the provisions of NRS 587.841 to 587.899, 48 inclusive [], and sections 2, [and] 3 and 3.5 of this act. If the licensee does not demonstrate compliance with the provisions of NRS 587.841 to 587.899, inclusive, 49 and sections 2 , [and] 3 and 3.5 of this act within 30 days after receipt of the 50 51 explanation, the Director must begin proceedings to condemn the lot of commercial 52 feed pursuant to the requirements established by the Department.

Sec. 9. NRS 587.895 is hereby amended to read as follows:

587.895 1. A person who violates the provisions of NRS 587.841 to 587.899, inclusive, and sections 2, fand 3 and 3.5 of this act, or any regulation adopted pursuant thereto, is subject to a civil penalty not to exceed: (a) For a first offense, \$250.

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- (b) For a second offense, \$500.
- (c) For a third or subsequent offense, \$1,000.

2. Any money collected from the imposition of a civil penalty pursuant to subsection 1 must be accounted for separately and:

(a) Fifty percent of the money must be used to fund a program selected by the Director that provides loans to persons who are engaged in agriculture and who are 21 years of age or younger; and

(b) The remaining 50 percent of the money must be deposited in the Account for the Control of Weeds created by NRS 555.035.

Sec. 10. NRS 587.900 is hereby amended to read as follows:587.900 1. The Director may, after notice and an opportunity for a hearing, impose a civil penalty of not more than \$500 for each violation of this chapter other than a violation of NRS 587.841 to 587.899, inclusive [], and sections 2, [and] 3 19 and 3.5 of this act. 20

2. Any money collected from the imposition of a civil penalty pursuant to subsection 1 must be accounted for separately and:

(a) Fifty percent of the money must be used to fund a program selected by the Director that provides loans to persons who are engaged in agriculture and who are 21 years of age or younger; and

(b) The remaining 50 percent of the money must be deposited in the Account for the Control of Weeds established by NRS 555.035.

Sec. 11. 1. This section becomes effective upon passage and approval.

2. Sections 1 to 10, inclusive, of this act become effective:

29 (a) Upon passage and approval for the purpose of adopting any regulations and 30 performing any other preparatory administrative tasks that are necessary to carry 31 out the provisions of this act; and

(b) On January 1, 2024, for all other purposes.