

EXHIBIT A

ARIZONA DEPARTMENT OF AGRICULTURE INDUSTRIAL HEMP PROGRAM

SUMMARY OF PROCEDURES REQUIRED BY USDA AND ADOPTED BY THE STATE HEMP PROGRAM

- 1. To comply with a practice to maintain relevant information regarding land on which hemp is produced in the State, including a legal description of the land, for a period of not less than 3 calendar years the Department shall:**
 - a. Collect, maintain and provide to USDA contact information for each hemp grower and nursery ("producer") licensed by the Department. [A.R.S. §§ 3-313 and 3-314, A.A.C. R3-4-1003 and R3-4-1008, and Internal Policy 21-01, Industrial Hemp Program Data Sharing With the U.S. Department of Agriculture - Agriculture and Marketing Service (USDA – AMS)("IP21-01")]
 - b. Provide contact information for each hemp producer covered under the plan, including full name, address, telephone number, and email address (if available). If the producer is a business entity, the information must include the full name of the business, address of the principal business location, full name and title of the key participants, an email address (if available), and EIN number of the business entity. This information will be provided via a method as prescribed by USDA. [IP21-01]
 - c. Provide a legal description of the land where hemp is produced in the state. [A.A.C. R3-4-1003, IP21-01, and applicant licensing agreement]
 - d. Maintain and report to USDA-AMS the status of licensed producers (and any changes as they occur) and license numbers of producers. [IP21-01]

- 2. To accurately and effectively sample and test crops of industrial hemp using post-decarboxylation or similarly reliable methods, the Department shall:**
 - a. Implement standard sampling (all lots) and performance-based sampling procedures at a confidence level of 95% that no more than one percent of the plants in each lot would exceed the acceptable hemp THC level. [A.A.C. R3-4-1001 and R3-4-1008(C)]
 - b. Ensure that, when a sample is collected, it is a representative sample of a homogeneous composition of the lot. [A.A.C. R3-4-1008 and Substantive Policy Statement SP19-01 ("SP19-01")]
 - c. Collect all standard samples from the flowering tops of the plant by cutting the top five to eight inches from the "main stem" (that includes the leaves and flowers), "terminal bud" (that occurs at the end of a stem), "or "central cola" (cut stem that could develop into a bud) of the flowering top of the plant. [A.A.C. R3-4-1008 and SP19-01]

- 3. Procedures: Sampling Methods; Sampling Agents; Testing**
 - a. When the Department is sampling all lots, the Department shall do the following:

- (1) Use standard sampling methods for all producers, except for producers approved under a USDA approved performance-based sampling method. [SP19-01]
 - (2) Sample and test every harvest lot. [A.A.C. R3-4-1008 and SP19-01]
- b. When the Department develops additional performance-based sampling methods, the Department will comply with the following, as was done for the performance-based sampling methods submitted with this plan:
- (1) Only consider one or more of the following when developing a performance-based sampling method:
 - (a) Seed certification processes;
 - (b) Other process that identify varieties that have consistently resulted in compliant hemp plants;
 - (c) Whether the producer is conducting research on hemp at an institution of higher learning or that is funded by a Federal, State, or Tribal government;
 - (d) Whether a producer has consistently produced compliant hemp plants over an extended period of time;
 - (e) or other similar factors.
 - (2) All metrics developed for a performance-based sampling protocol will be included as an addendum.
 - (3) Performance-based sampling methods will only be implemented after approval of the proposed method by USDA.
 - (4) Hemp produced for research is not subject to the same sampling requirements provided that the producer adopts and carries out an alternative sampling method, approved by the Department, that has the potential to ensure, at a confidence level of 95 percent, that the cannabis plant species *Cannabis sativa* L. that will be subject to this alternative method will not test above the acceptable hemp THC level. The following will be required of Research institutions and producers licensed under a research exemption:
 - (a) Producers that produce hemp for research, along with the research institution itself, are required obtain a license from the Department.
 - (b) Research institutions and producers growing hemp for research purposes shall ensure the disposal of all noncompliant plants.
 - (c) Research institutions and producers growing hemp for research purposes shall also comply with the reporting requirements including reporting disposal of noncompliant plants.
 - (d) Research institutions that handle non-compliant hemp must follow approved disposal methods or DEA controlled substance requirements for handling marijuana.

- (e) Research institutions and producers growing hemp for research purposes shall be subject to inspections and audits to ensure compliance with hemp laws.

c. Sampling Agent Procedures:

- (1) Department inspectors or authorized sampling agents will conduct sampling and testing within thirty (30) days prior to the reported estimated date of harvest; official regulatory samples will be collected by a Department inspector or authorized sampling agent; and producers may not collect samples from their own growing facilities to determine regulatory compliance. [A.A.C. R3-4-1008(C) and SP19-01]
- (2) Procedures are set in policy for collecting samples from the flowering tops of plants which shall be approximately five to eight inches in length from the “main stem” (that includes the leaves and flowers), “terminal bud” (that occurs at the end of a stem), or “central cola” (cut stem that could develop into a bud). [SP19-01]
- (3) Procedures are set in policy that ensures the sampling method used represents a homogenous composition of the lot. [SP19-01]
- (4) The producer or an authorized representative of the producer is required to be present at the growing site during sample collection. [A.A.C. R3-4-1008(C)(3)(a)]
- (5) Department inspectors or authorized sampling agents are authorized to have complete and unrestricted access during business hours to all hemp and other cannabis plants and all land, buildings, etc. used for cultivation, handling, and storage. [A.A.C. R3-4-1008(A)(2)]
- (6) Producers may not harvest any reported hemp crops prior to samples being taken. [A.A.C. R3-4-1008(C)]
- (7) Procedures to ensure sampling agents are trained using USDA, state, or tribal training and the information is maintained by the state or tribal government. [A.A.C. R3-4-1008(C)]and [SOP: Hemp Sampling Agent Training]
- (8) The number of plants selected for sampling is based on the USDA-PPQ "Agricultural Quarantine Inspection Monitoring (AQIM) Handbook. The hydrometric table listed in the AQIM handbook is intended to provide within a 95% confidence that a representative sample has been collected.

d. Testing Procedures:

- (1) An acceptable hemp THC level is determined by using a measurement of uncertainty in the calculation of total THC within a 95% level of confidence. [A.A.C. R3-4-1008]
- (2) Laboratories are required to use testing methods that meet these requirements at a minimum; 1) Use of a post decarboxylation or other similarly reliable method; 2) Include the consideration of potential conversion of delta-9 THCA into THC and

test result measure total available THC (THC + THCA); 3) Use gas or liquid chromatography with detection; 4) Determine total THC concentration on a dry weight basis. [A.A.C. R3-4-1008(C)]

- (3) All hemp crops are prohibited from being comingled. [A.A.C. R3-4-1008(D)]
- (4) Laboratory standards will require testing laboratories comply to standards of performance for detecting THC concentration, including Measurement of Uncertainty (MU) [A.A.C. R3-4-1008(C)(5)]
- (5) Laboratories for hemp compliance testing must be registered with DEA no later than December 31, 2022. [A.A.C. R3-4-1008(C)(6)]
- (6) Laboratories will be provided with directives in the contracts and agreements to provide the Arizona Department of Agriculture and the U.S. Department of Agriculture results of compliance samples using a method as described by USDA.

4. Disposal procedures

- (a) Producers of non-compliant crops of hemp will be provided with options to dispose. or attempt remediation, of the crop that was found above the acceptable THC limit. [A.A.C. R3-4-1008(D)(2) and A.A.C. R3-4-1013]. The options provided to producers will be based on the guidance document "Remediation and Disposal Guidelines for Hemp Growing facilities"; U.S. Domestic Hemp Production Program, Issued January 15, 2021; <https://www.ams.usda.gov/sites/default/files/media/HempRemediationandDisposalGuidelines.pdf>.
- (b) USDA will be notified of non-compliant plants and disposal of those plants from the lot where representative samples were taken. Test results will be included and disposal report will be submitted via a method approved by USDA. [*Internal Policy 21-01, Industrial Hemp Program Data Sharing With the U.S. Department of Agriculture - Agriculture and Marketing Service*]

5. Remediation procedures

- (a) Effective remediation of non-compliant hemp produced is provided as an option to producers and may be part of a corrective action plan. Only successfully remediated, non-compliant hemp crops will be allowed to enter the stream of commerce. [A.A.C. R3-4-1008 (D)(2); A.A.C. R3-4-1013 (D)]
- (b) USDA will be notified of non-compliant plants and results of remediation efforts of those plants from the lot where representative samples were taken. Test results will be included and disposal report will be submitted via a method approved by USDA. [*Internal Policy 21-01, Industrial Hemp Program Data Sharing With the U.S. Department of Agriculture - Agriculture and Marketing Service*]

6. Inspection procedures

Annual inspections of licensed producers, including public and private research institutions, will be conducted to verify that hemp is not produced in violation of federal laws for domestic hemp production. [A.A.C. R3-4-1008] and [SOP: Inspection Procedures]

7. Collection of information

(a) Hemp producers are required to report to the Department the information described in 990.70. This information will then be reported to the U.S. Secretary of Agriculture not more than 30 days after the date received and will be submitted via a method approved by USDA. [AZDA - Hemp Program Licensing Agreement; IP21-01](b) Producers are also required to register crop acreage with USDA - Farm Service Agency (USDA-FSA) including:

- (1) hemp crop acreage;
- (2) reporting total acreage of hemp planted, harvested, and disposed or remediated;
- (3) license or authorization number;
- (4) street address;
- (5) geospatial location(s) of each lot or greenhouse where hemp will be produced;
- (6) acreage of greenhouse or indoor square footage dedicated to the production of hemp.

[A.A.C. R3-4-1003 and R3-4-1011; AZDA - Hemp Program Licensing Agreement]

8. Plan to comply with enforcement procedures

(a) The Department has established provisions relating to negligent producer violations. Producers shall not receive more than one negligent violation per growing season. [A.A.C. R3-4-1012, R3-4-1013(E) and R3-4-1014](b) Procedures to issue corrective action plans for negligent violations are established to correct any: 1) failure to provide legal description of land; 2) failure to obtain a license; 3) crops that produce a THC concentration greater than 1.0 percent. [A.A.C. R3-4-1012(A)](c) Procedures to provide for the correction of negligent violations are established to include:

- (1) A reasonable date to correct the violation;
- (2) Reporting requirements for 2 years from date of the negligent violation;
- (3) Exclusion of violations from federal, state, tribal, or local government criminal enforcement action;
- (4) Provision that a negligent violation 3 times within a 5-year period is ineligible to produce hemp for a period of 5 years from the date of the 3rd violation;
- (5) Requirement for state to conduct inspections to determine if corrective action plan has been implemented. (6) Procedures for producer violations that are made knowingly or intentionally (i.e., a culpable mental state greater than negligent). A Producer who has been found to have committed a violation knowingly or intentionally shall be reported to the U.S. Attorney General and the chief law enforcement officer of the state or tribal government.

- (7) Procedures for addressing felonies of program applicants and producers are established to ensure: 1) a 10-year ineligibility restriction for persons with a State or Felony conviction relating to a controlled substance; 2) a controlled substance felony conviction exception for participants in state hemp pilot program authorized under the 2014 Agricultural Act before December 20, 2018; 3) business entities determine and indicate which participants are considered to be “key” as defined in R3-4-1001, or have executive managerial control. As established in A.R.S. § 3-414, applicants must have received confirmation through a state and federal criminal background check conducted by the Arizona Department of Public Safety to ensure a controlled substances felony conviction has not occurred in past 10 years from the time of application. The Department is provided the records of applicants that have been denied; The Department is provided the records of licensees that have had their privileges revoked or suspended during the year; and the Department verifies eligibility at the time of license renewal.
- (8) Procedures are established that any persons who materially falsify any information in their application shall be deemed ineligible to participate in the program.

[A.A.C. R3-4-1001; R3-4-1002; R3-4-1012(B) and (E); R3-4-1013]

9. Certification that the state has the resources and personnel to carry out required Farm Bill practices and procedures. [990.3 (a) (9)]

The Department here by certifies that the state has the resources to comply and carry out the practices and procedures to oversee and regulate the domestic production of industrial hemp. Fees are established, as authorized in statute, for the exclusive purpose of implementing, continuing and supporting the industrial hemp program. [A.R.S. 3-315, A.A.C. R3-4-1005, and Table 1.]

10. Plan may include other practices or procedures as long as consistent with this part and the Act. Plan may include requirements more stringent than this part or the Act. [990.3 (a) (10) (b) (1) and (2)]

All other industrial hemp program rules and regulations are consistent with federal hemp laws.



Arizona Department of Agriculture

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October 15, 2021

Deputy Administrator
Specialty Crops Program
USDA Agricultural Marketing Service
1400 Independence Avenue SW
Room 2077-S, Stop 0235
Washington, D.C. 20250-0235

Re: Arizona Industrial Hemp Plan Re-submission

Dear Deputy Administrator,

On August 12, 2019, the Arizona Department of Agriculture ("Department") submitted an Arizona Industrial Hemp Plan ("State Hemp Plan") for approval by the U.S. Department of Agriculture, Agricultural Marketing Service ("USDA-AMS"). On November 29, 2019 USDA-AMS staff indicated that the State Hemp Plan would not be approved as submitted, and provided comments to help guide the Department in drafting updates to achieve plan approval.

Since that time, the Department composed draft changes to administrative rules based on the USDA Final Rules that were effective on March 22, 2021, and created additional policies and procedures to align with federal regulations. With the input from USDA-AMS staff, we believe the State Hemp Plan will meet the requirements for USDA approval. *See* the attached "Summary of Procedures Required by USDA and Adopted by the State Hemp Program," attached hereto as **Exhibit A**. With this letter and attached Exhibits, the Department respectfully submits the State Hemp Plan for your consideration and approval.

Under Arizona Laws 2018, Chapter 287, as amended by Arizona Laws 2019, Chapter 5, the Department was authorized to develop regulations and a program structure by May 31, 2019, and to regulate and license qualified applicants for the production of industrial hemp in Arizona. The resulting statutes, Arizona Revised Statutes ("A.R.S.") §§ 3-311 through 3-320, are attached hereto as **Exhibit B**. The Department and industry stakeholders developed administrative rules and a program structure based on the 2018 Farm Bill provisions for the domestic production of industrial hemp. The USDA final rules on domestic hemp production have since been reviewed. On October 1, 2021, changes to the Arizona rules were published in Vol 27, Iss. 40, Pg 1570 of the Arizona Administrative Register, and are designed to conform to the USDA final rules on domestic hemp production. The amended rules, showing redlined changes to Arizona Administrative Code ("A.A.C.") R3-4-1001 to R3-4-1014, are attached as **Exhibit C**.

Additional Department Policies were developed as an adjunct to the administrative rules to provide guidance on the Department's manner of sampling of industrial hemp crops to determine compliance. One of those policies is Substantive Policy Statement SP19-01, attached hereto, as **Exhibit D**. To meet the criteria as described in 7 CFR §990.3 (a)(2)(iii)(A) and (B), **Exhibit E** is included as an addendum to describe the performance-based sampling protocols that are proposed to be implemented by the Department and **Exhibit F** is the Substantive Policy Statement (SP21-02) that will provide guidance to producers on the Department's approach to performance-based sampling. Another internal policy, IP21-01, was developed to provide guidelines on the data-sharing process with USDA-AMS and is attached as **Exhibit G**. Appendices A, B, and C are attachments to IP21-01.

The Department will require that all hemp producers register their crops with USDA-Farm Service Agency ("FSA") prior to submitting a planting report with the Department. This will be codified in the licensee's licensing agreement, in which provisions for compliance with federal regulations are required. A copy of the licensing agreement is attached as **Exhibit H**.

To be eligible as a participant in the State hemp program as established in A.R.S. § 3-314(D), an applicant must have a valid background check completed, and obtain a Level I Fingerprint Clearance Card issued by the Arizona Department of Public Safety. The laws that determine what will preclude an applicant from getting a Level I Fingerprint Clearance Card are found in A.R.S. § 41-1758.07, attached here as **Exhibit I**. Any felony narcotics conviction is included as a preclusive offense.

We thank you for your time and consideration. Please feel free to contact me with any follow-up questions or comments. You can reach me at 602-542-5729 or by emailing me at: mkillian@azda.gov.

Sincerely,



Mark Killian
Director

cc: Jeff Grant, Deputy Director
Jack Peterson, Associate Director

encl: 9

MK/bkm

Industrial Hemp Domestic Production Plan - Arizona

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ARIZONA DEPARTMENT OF AGRICULTURE INDUSTRIAL HEMP PROGRAM

SUMMARY OF PROCEDURES REQUIRED BY USDA AND ADOPTED BY THE STATE HEMP PROGRAM

- 1. To comply with a practice to maintain relevant information regarding land on which hemp is produced in the State, including a legal description of the land, for a period of not less than 3 calendar years the Department shall:**
 - a. Collect, maintain and provide to USDA contact information for each hemp grower and nursery ("producer") licensed by the Department. [A.R.S. §§ 3-313 and 3-314, A.A.C. R3-4-1003 and R3-4-1008, and Internal Policy 21-01, Industrial Hemp Program Data Sharing With the U.S. Department of Agriculture - Agriculture and Marketing Service (USDA – AMS)("IP21-01")]
 - b. Provide contact information for each hemp producer covered under the plan, including full name, address, telephone number, and email address (if available). If the producer is a business entity, the information must include the full name of the business, address of the principal business location, full name and title of the key participants, an email address (if available), and EIN number of the business entity. This information will be provided via the Hemp Producer Report AMS-23 form via email. [IP21-01]
 - c. Provide a legal description of the land where hemp is produced in the state. [A.A.C. R3-4-1003, IP21-01, and applicant licensing agreement]
 - d. Maintain and report to USDA-AMS the status of licensed producers (and any changes) and license numbers of producers. [IP21-01]

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 - a. Implement standard sampling and performance-based sampling procedures at a confidence level of 95% that no more than one percent of the plants in each lot would exceed the acceptable hemp THC level. [A.A.C. R3-4-1001 and R3-4-1008(C)]
 - b. Ensure that, when a sample is collected, it is a representative sample of a homogeneous composition of the lot. [A.A.C. R3-4-1008 and Substantive Policy Statement SP19-01 ("SP19-01")]
 - c. Collect all standard samples from the flowering tops of the plant by cutting the top five to eight inches from the "main stem" (that includes the leaves and flowers), "terminal bud" (that occurs at the end of a stem), "or "central cola" (cut stem that could develop into a bud) of the flowering top of the plant. [A.A.C. R3-4-1008 and SP19-01]

- 3. Procedures: Sampling Methods ; Sampling Agents; Testing**
 - a. When the Department chooses to sample all lots, the Department shall do the following:

- (1) Use standard sampling methods for all producers, except for producers approved under a USDA approved performance-based sampling method. [SP19-01]
 - (2) Sample and test every harvest lot. [A.A.C. R3-4-1008 and SP19-01]
- b. When the Department develops a performance-based sampling method, the Department will comply with the following:
- (1) Only consider one or more of the following when developing a performance-based sampling method:
 - (a) Seed certification processes;
 - (b) Other process that identify varieties that have consistently resulted in compliant hemp plants;
 - (c) Whether the producer is conducting research on hemp at an institution of higher learning or that is funded by a Federal, State, or Tribal government;
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 - (a) Producers that produce hemp for research, along with the research institution itself, are required obtain a license from the Department.
 - (b) Research institutions and producers growing hemp for research purposes shall ensure the disposal of all noncompliant plants.
 - (c) Research institutions and producers growing hemp for research purposes shall also comply with the reporting requirements including reporting disposal of noncompliant plants.
 - (d) Research institutions that handle non-compliant hemp must follow approved disposal methods or DEA controlled substance requirements for handling marijuana.
- c. Sampling agent Procedures:

- (1) Department inspectors or authorized sampling agents will conduct sampling and testing within thirty (30) days prior to the reported estimated date of harvest; official regulatory samples will be collected by a Department inspector or authorized sampling agent; and producers may not collect samples from their own growing facilities to determine regulatory compliance. [A.A.C. R3-4-1008(C) and SP19-01]
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- (4) The producer or an authorized representative of the producer is required to be present at the growing site during sample collection. [A.A.C. R3-4-1008(C)(3)(a)]
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- (6) Producers may not harvest any reported hemp crops prior to samples being taken. [A.A.C. R3-4-1008(C)]
- (7) Procedures to ensure sampling agents are trained using USDA, state, or tribal training and the information is maintained by the state or tribal government. [A.A.C. R3-4-1008(C)]

d. Testing Procedures:

- (1) An acceptable hemp THC level is determined by using a measurement of uncertainty in the calculation of total THC within in a 95% level of confidence. [A.A.C. R3-4-1008]
- (2) Laboratories are required to use testing methods that meet these requirements at a minimum; 1) Use of a post decarboxylation or other similarly reliable method; 2) Include the consideration of potential conversion of delta-9 THCA into THC and test result measure total available THC (THC + THCA); 3) Use gas or liquid chromatography with detection; 4) Determine total THC concentration on a dry weight basis. [A.A.C. R3-4-1008(C)]
- (3) All hemp crops are prohibited from being comingled. [A.A.C. R3-4-1008(D)]
- (4) Laboratory standards will require testing laboratories comply to standards of performance for detecting THC concentration, including Measurement of Uncertainty (MU) [A.A.C. R3-4-1008(C)(5)]

- (5) Laboratories for hemp compliance testing must be registered with DEA no later than December 31, 2022. [A.A.C. R3-4-1008(C)(6)]
- (6) Laboratories will be provided with directives in the contracts and agreements to provide the Arizona Department of Agriculture and the U.S. Department of Agriculture results of compliance samples.

4. Disposal procedures

- (a) Producers of non-compliant crops of hemp will be provided with options to dispose, or attempt remediation, of the crop that was found above the acceptable THC limit. [A.A.C. R3-4-1008(D)(2) and A.A.C. R3-4-1013]. The options provided to producers will be based on the guidance document "Remediation and Disposal Guidelines for Hemp Growing facilities"; U.S. Domestic Hemp Production Program, Issued January 15, 2021; <https://www.ams.usda.gov/sites/default/files/media/HempRemediationandDisposalGuidelines.pdf>.
- (b) USDA will be notified of non-compliant plants and disposal of those plants from the lot where representative samples were taken. Test results will be included and disposal report AMS-24 will be provided. [*Internal Policy 21-01, Industrial Hemp Program Data Sharing With the U.S. Department of Agriculture - Agriculture and Marketing Service*]

5. Remediation procedures

- (a) Effective remediation of non-compliant hemp produced is provided as an option to producers and may be part of a corrective action plan. Only successfully remediated, non-compliant hemp crops will be allowed to enter the stream of commerce. [A.A.C. R3-4-1008 (D)(2); A.A.C. R3-4-1013 (D)]
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6. Inspection procedures

Annual inspections of licensed producers will be conducted to verify that hemp is not produced in violation of federal laws for domestic hemp production. [A.A.C. R3-4-1008]

7. Collection of information

- (a) Hemp producers are required to report to the Department the information described in 990.70. This information will then be reported to the Secretary not more than 30 days after the date on which the information is received on forms provided by USDA. [AZDA - Hemp Program Licensing Agreement; IP21-01](b) Producers are also required to register crop acreage with USDA - Farm Service Agency (USDA-FSA) including:
 - (1) hemp crop acreage;
 - (2) reporting total acreage of hemp planted, harvested, and disposed;

- (3) license or authorization number;
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- (5) geospatial location(s) of each lot or greenhouse where hemp will be produced;
- (6) acreage of greenhouse or indoor square footage dedicated to the production of hemp.

[A.A.C. R3-4-1003 and R3-4-1011; AZDA - Hemp Program Licensing Agreement]

8. Plan to comply with enforcement procedures

(a) The Department has established provisions relating to negligent producer violations. Producers shall not receive more than one negligent violation per growing season. [A.A.C. R3-4-1012, R3-4-1013(E) and R3-4-1014](b) Procedures to issue corrective action plans for negligent violations are established to correct any: 1) failure to provide legal description of land; 2) failure to obtain a license; 3) crops that produce a THC concentration greater than 1.0 percent. [A.A.C. R3-4-1012(A)](c) Procedures to provide for the correction of negligent violations are established to include:

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- (4) Provision that a negligent violation 3 times within a 5-year period is ineligible to produce hemp for a period of 5 years from the date of the 3rd violation;
- (5) Requirement for state to conduct inspections to determine if corrective action plan has been implemented. (6) Procedures for producer violations that are made knowingly or intentionally (i.e., a culpable mental state greater than negligent). A Producer who has been found to have committed a violation knowingly or intentionally shall be reported to the U.S. Attorney General and the chief law enforcement officer of the state or tribal government.
- (7) Procedures for addressing felonies of program applicants and producers are established to ensure: 1) a 10-year ineligibility restriction for persons with a State or Felony conviction relating to a controlled substance; 2) a controlled substance felony conviction exception for participants in state hemp pilot program authorized under the 2014 Agricultural Act before December 20, 2018; 3) business entities determine and indicate which participants are considered to be “key” as defined in R3-4-1001, or have executive managerial control.
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[A.A.C. R3-4-1001; R3-4-1002; R3-4-1012(B) and (E); R3-4-1013]

9. Certification that the state has the resources and personnel to carry out required Farm Bill practices and procedures. [990.3 (a) (9)]

The Department here by certifies that the state has the resources to comply and carry out the practices and procedures to oversee and regulate the domestic production of industrial hemp. Fees are established, as authorized in statute, for the exclusive purpose of implementing, continuing and supporting the industrial hemp program. [A.R.S. 3-315, A.A.C. R3-4-1005, and Table 1.]

10. Plan may include other practices or procedures as long as consistent with this part and the Act. Plan may include requirements more stringent than this part or the Act. [990.3 (a) (10) (b) (1) and (2)]

All other industrial hemp program rules and regulations are consistent with federal hemp laws.

Exhibit B

ARIZONA REVISED STATUTES TITLE 3. AGRICULTURE; CHAPTER 2. REGULATORY PROVISIONS; ARTICLE 4.1. INDUSTRIAL HEMP

3-311. Definitions

In this article, unless the context otherwise requires:

1. "Agricultural pilot program" means the industrial hemp program that is designed to research the growth, cultivation and marketing of industrial hemp, hemp seeds and hemp products as authorized by this article and rules and orders adopted by the director pursuant to this article.
2. "Crop" means any industrial hemp that is grown under a single industrial hemp license issued by the department.
3. "Grower" means an individual, partnership, company or corporation that propagates industrial hemp under this article and rules and orders adopted by the director pursuant to this article.
4. "Harvester" means an individual, partnership, company or corporation that is licensed by the department to harvest industrial hemp for a licensed grower.
5. "Hemp products" means all products made from industrial hemp, including cloth, cordage, fiber, fuel, grain, paint, paper, construction materials, plastics and by-products derived from sterile hemp seed or hemp seed oil. Hemp products excludes any product made to be ingested except food made from sterile hemp seed or hemp seed oil.
6. "Hemp seed" means any viable cannabis sativa L. seed that produces an industrial hemp plant that is subject to this article and rules and orders adopted by the director pursuant to this article.
7. "Industrial hemp" means the plant cannabis sativa L. and any part of such a plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than three-tenths percent on a dry-weight basis.
8. "Industrial hemp site" means the location in which a grower, harvester, transporter or processor possesses a crop, a harvested crop or hemp seed.
9. "License" means the authorization that is granted by the department to propagate, harvest, transport or process industrial hemp in this state under this article and rules and orders adopted by the director pursuant to this article.
10. "Licensee" means a grower, harvester, transporter or processor with a valid license.
11. "Processor" means an individual, partnership, company or corporation that is licensed by the department to receive industrial hemp for processing into hemp products or hemp seed.
12. "Transporter" means an individual, partnership, company or corporation that is licensed by the department to transport industrial hemp for a licensed grower to a processor.

ARIZONA REVISED STATUTES
TITLE 3. AGRICULTURE; CHAPTER 2. REGULATORY PROVISIONS;
ARTICLE 4.1. INDUSTRIAL HEMP

3-312. Legislative findings; purpose; authorization

A. The legislature finds and determines that developing and using industrial hemp can improve the economy and agricultural vitality of this state and that the production of industrial hemp can be regulated so as not to interfere with strict regulation of marijuana in this state.

B. The purposes of this article are:

1. To promote the economy and agriculture in this state by allowing institutions of higher learning and the department to develop and regulate industrial hemp as part of an agricultural pilot program for the purpose of research into the growth, cultivation and marketing of industrial hemp as authorized by the agricultural act of 2014 (P.L. 113-79; 128 Stat. 649; 7 United States Code section 5940).

2. To allow the commercial growth, cultivation and marketing of industrial hemp if the commercial growth, cultivation and marketing of industrial hemp is authorized by federal law, while maintaining strict control of marijuana.

C. Industrial hemp is an agricultural product that is subject to regulation by the department.

D. Industrial hemp propagation, processing, manufacturing, distribution and market research are authorized in this state under a preapproved agricultural pilot program. Hemp seed that is authorized for an agricultural pilot program shall be certified solely through the department. Unauthorized hemp seed may not be planted. Hemp seed that is derived from previously authorized hemp seed is considered authorized hemp seed for the purposes of this article.

E. If authorized under federal law, the commercial production, processing, manufacturing, distribution and commerce of industrial hemp in this state is allowed outside of the agricultural pilot program.

ARIZONA REVISED STATUTES
TITLE 3. AGRICULTURE; CHAPTER 2. REGULATORY PROVISIONS;
ARTICLE 4.1. INDUSTRIAL HEMP

3-313. Rulemaking; fees; intent

A. For the purposes of carrying out this article, the director shall:

1. Adopt rules pursuant to title 41, chapter 6 to oversee the licensing, production and management of industrial hemp and hemp seed in this state pursuant to this article.
2. Adopt fees by rule.
3. Authorize qualified applicants to propagate, harvest, transport or process, or any combination thereof, industrial hemp according to rules adopted by the director.

B. The legislature intends that the fees adopted pursuant to subsection A, paragraph 2 of this section be used to fund the department's activities in licensing, testing, inspecting and supervising industrial hemp production.

ARIZONA REVISED STATUTES
TITLE 3. AGRICULTURE; CHAPTER 2. REGULATORY PROVISIONS;
ARTICLE 4.1. INDUSTRIAL HEMP

3-314. Industrial hemp licenses; applications; fees; fingerprinting requirements; renewal; revocation

A. A grower, harvester, transporter or processor shall obtain an industrial hemp license from the department.

B. A grower, harvester, transporter or processor shall apply for a license pursuant to rules and orders adopted by the director.

C. An application for an original or renewal industrial hemp license shall comply with all of the following:

1. Be on a form that is provided by the department.
2. Include complete and accurate information.
3. Be accompanied by the license fee prescribed by the director. The director shall deposit, pursuant to sections 35-146 and 35-147, fees collected under this paragraph in the industrial hemp trust fund established by section 3-315.

D. An applicant shall provide proof to the department of having a valid fingerprint clearance card issued pursuant to section 41-1758.07 for the purpose of validating applicant eligibility.

E. A license issued pursuant to this section is valid for one year, unless revoked, and may be renewed as provided by the department. Rather than renewing a licensee's license every year, a licensee may renew the licensee's license every two years by paying a license fee that is twice the amount designated by the fee schedule in rule that is adopted by the director and other applicable fees. Licensees that renew every two years shall comply with any annual reporting requirements.

F. The department may revoke or refuse to issue or renew a license for a violation of any law of this state, any federal law or any rule or order adopted by the director.

G. A member of an Indian tribe may apply for a license pursuant to this section. If a member of an Indian tribe is issued a license pursuant to this section, the member is subject to the requirements prescribed in this article.

ARIZONA REVISED STATUTES
TITLE 3. AGRICULTURE; CHAPTER 2. REGULATORY PROVISIONS;
ARTICLE 4.1. INDUSTRIAL HEMP

3-315. Industrial hemp trust fund

A. The industrial hemp trust fund is established for the exclusive purpose of implementing, continuing and supporting industrial hemp licensing. The trust fund consists of monies received from legislative appropriations, licensing fees and all other sources under this article. The monies collected constitute a separate and permanent fund for use by the director in administering and enforcing this article.

B. The director shall administer the trust fund as trustee. The state treasurer shall accept, separately account for and hold in trust any monies deposited in the state treasury, which are considered to be trust monies as defined in section 35-310 and may not be commingled with any other monies in the state treasury except for investment purposes. On notice from the director, the state treasurer shall invest and divest any trust fund monies deposited in the state treasury as provided by sections 35-313 and 35-314.03, and monies earned from investment shall be credited to the trust fund.

C. The director may accept and spend federal monies and private grants, gifts, contributions and devises to assist in carrying out the purposes of this article.

D. The beneficiary of the trust is the industrial hemp program established pursuant to this article, including salaries, fees and office, administrative, bonding and travel expenses that are incurred as a result of the industrial hemp program.

E. Any monies remaining unexpended in the trust fund on June 30 of each year shall be carried forward to the following year and do not revert to the state general fund.

ARIZONA REVISED STATUTES
TITLE 3. AGRICULTURE; CHAPTER 2. REGULATORY PROVISIONS;
ARTICLE 4.1. INDUSTRIAL HEMP

3-316. Recordkeeping, inspection, transportation and distribution requirements

A. A grower, harvester, transporter or processor of industrial hemp that is licensed pursuant to this article shall keep and maintain records as required by rule or order. The director or the director's designee may inspect or audit the records during normal business hours to ensure compliance with this article or any department rule or order.

B. The director or the director's designee may physically inspect an industrial hemp site to ensure compliance with this article or any department rule or order. During any physical inspection of an industrial hemp site, the director or the director's designee may take a representative sample for analysis by the state agricultural laboratory or a laboratory that is certified by the state agricultural laboratory. If a crop contains an average carboxylated delta-9 tetrahydrocannabinol concentration that exceeds three-tenths percent on a dry-weight basis or violates any other pesticide law, the department may take corrective action pursuant to section 3-317.

C. Notwithstanding section 13-3405, the director or the director's designee may possess and transport samples of cannabis sativa L. collected for testing to determine delta-9 tetrahydrocannabinol concentration for eligibility as industrial hemp.

D. Only a licensed grower, harvester, processor or transporter or the director or the director's designee may transport industrial hemp off the industrial hemp site. When transporting industrial hemp off the industrial hemp site, the licensed grower, processor or transporter shall carry the licensing documents as evidence that the industrial hemp was grown by a licensed grower. This subsection does not apply to the transportation of hemp products.

E. A licensed grower shall notify the department of all of the following:

1. The sale or distribution of any industrial hemp grown under the grower's license.
2. The name and address of the person or entity receiving the industrial hemp.
3. The amount of the industrial hemp sold or distributed.

ARIZONA REVISED STATUTES
TITLE 3. AGRICULTURE; CHAPTER 2. REGULATORY PROVISIONS;
ARTICLE 4.1. INDUSTRIAL HEMP

3-317. Corrective actions; hearing

A. The director shall adopt rules to address, correct and remediate violations of this article and rules or orders adopted pursuant to this article.

B. The director may:

1. Issue and enforce a written cease and desist order against a grower, harvester, transporter or processor of any industrial hemp that the director finds is in violation of this article. The order shall prohibit the further sale, processing or transportation of the industrial hemp except on approval of the director.

2. Issue a stop sale order.

3. Seize and destroy any crop, harvested crop or hemp seed that does not comply with this article or any rule or order adopted pursuant to this article.

4. Take any other action to enforce this article and the rules and orders adopted pursuant to this article.

C. A person who violates this article or any rule or order adopted pursuant to this article may request a hearing before an administrative law judge pursuant to title 41, chapter 6, article 10. The decision of the administrative law judge is subject to review by the director as provided by title 41, chapter 6, article 10. A request pursuant to this subsection does not stay a cease and desist order issued pursuant to this section.

ARIZONA REVISED STATUTES
TITLE 3. AGRICULTURE; CHAPTER 2. REGULATORY PROVISIONS;
ARTICLE 4.1. INDUSTRIAL HEMP

3-318. Industrial hemp advisory council; members; duties

A. The director shall establish by rule or order an industrial hemp advisory council to assist and make recommendations to the director regarding the administration and implementation of this article. The director shall appoint five members to the council, including one public member.

B. The industrial hemp advisory council shall:

1. Advise the director regarding expenditures from the industrial hemp trust fund.
2. Provide additional assistance as the director deems necessary.

ARIZONA REVISED STATUTES
TITLE 3. AGRICULTURE; CHAPTER 2. REGULATORY PROVISIONS;
ARTICLE 4.1. INDUSTRIAL HEMP

3-319. Violations; classification; civil penalties

A. In addition to any liability established by this article or any penalty provided by law, the director may impose a civil penalty of not more than five thousand dollars for each violation of any of the following:

1. A licensing requirement.
2. A license term or condition.
3. A rule or order adopted by the director that relates to propagating, harvesting, transporting or processing industrial hemp.

B. A person who intentionally violates this article or any rule or order related to this article is guilty of a class 1 misdemeanor.

C. A person who does not hold a license issued by the department or who is not a designee or agent of a person who holds a license issued by the department may not propagate, harvest, transport or process industrial hemp. A person who violates this subsection is subject to section 13-3405.

ARIZONA REVISED STATUTES
TITLE 3. AGRICULTURE; CHAPTER 2. REGULATORY PROVISIONS;
ARTICLE 4.1. INDUSTRIAL HEMP

3-320. Affirmative defense

A. It is an affirmative defense to any prosecution for the possession or cultivation of marijuana pursuant to title 13, chapter 34 that the defendant is a licensee, or a designee or agent of a licensee, who is in compliance with this article.

B. This section is not a defense to a charge of possession, sale, transportation or distribution of marijuana pursuant to title 13, chapter 34 that is not industrial hemp.

EXHIBIT C
ARIZONA DEPARTMENT OF AGRICULTURE ADMINISTRATIVE RULES
TITLE 3. AGRICULTURE
CHAPTER 4. DEPARTMENT OF AGRICULTURE - PLANT SERVICES DIVISION
ARTICLE 10. INDUSTRIAL HEMP

Section

- R3-4-1001. Definitions
- R3-4-1002. Program Eligibility
- R3-4-1003. Licenses; Applications; Renewals; Withdrawal
- R3-4-1004. Industrial Hemp Research
- R3-4-1005. Fees
- Table 1. Fee Schedule
- R3-4-1006. Authorized Seed and Propagative Materials
- R3-4-1007. Location Requirements; Signage
- R3-4-1008. Compliance; Recordkeeping; Audits
- R3-4-1011. Notifications; Reports
- R3-4-1012. Unauthorized Activity; Violations
- R3-4-1013. Corrective Actions
- R3-4-1014. Penalties

R3-4-1001. Definitions

In addition to the definitions provided in A.R.S. §§ 3-201, 3-311, and A.A.C. R3-4-101, the following terms apply to this Article.

"0.300%" shall have the same meaning as three-tenths percent.

"Applicant" means a key participant who seeks a license or certification as a grower, nursery, harvester, transporter, or processor under this Article.

"Associate Director" means the Associate Director of the ~~Plant Services~~ Division.

"Authorized sampling agent" means an inspector of the Department or independent party that has been trained by an authorized representative of the Department to collect samples of industrial hemp crops to determine compliance with applicable hemp laws.

"Biomass" means the homogenized pieces and parts, including but not limited to stems, leaves and floral parts of hemp.

"Certified laboratory" means the State Agriculture Laboratory or any laboratory certified by the State Agriculture

Laboratory to perform compliance analysis of industrial hemp.

"Corrective action plan" means a plan utilizing the methods outlined in R3-4-1013(D)(2) for correcting a negligent violation or non-compliance with applicable hemp laws, which is either proposed by a licensed hemp producer and approved by the Associate Director, or issued by the Associate Director.

"Decarboxylated" means the completion of the chemical reaction that converts THCA into delta-9 THC, the intoxicating component of cannabis. The decarboxylated value is also calculated using a molecular mass conversion ratio that sums delta-9 THC and 87.7% of THCA ((delta-9 THC) + (0.877 * THCA)).

"Decarboxylation" means the removal or elimination of carboxyl group from a molecule or organic compound.

"Delta-9 tetrahydrocannabinol" means the primary psychoactive component of cannabis. For the purposes of this Article, delta-9 THC and THC are interchangeable.

"Department" means the Arizona Department of Agriculture.

"Director" means the Director of the Department.

"Disposal" means an activity that transitions the non-compliant product into a non-retrievable or non-ingestible form. Such activities include plowing, tilling, or disking plant material into the soil; mulching, composting, chopping, or bush mowing plant material into green manure; burning plant material; or burying plant material into the earth and covering with soil.

"Division" means the Plant Services Division of the Department.

"Entity" means a corporation, joint stock company, association, limited partnership, limited liability partnership, limited liability company, irrevocable trust, estate, charitable organization, or other similar organization, including any such organization participating in the hemp production as a partner in a general partnership, a participant in a joint venture, or a participant in a similar organization.

"Geospatial location" means a location designated through a global system of navigational satellites used to determine the precise ground position of a place or object.

"Hemp" has the same meaning as industrial hemp.

"Hemp laws" mean, unless otherwise specified herein, A.R.S. Title 3, Chapter 2 and rules adopted thereunder in Article 4.1, A.A.C. R3-4-1001, et seq.; 7 U.S.C. § 5940 (agricultural act of 2014 PL 113-79; 128 Stat. 656, eff. January 5, 2015, <https://www.congress.gov/bill/113th-congress/house-bill/2642/text>); 7 U.S.C. § 1639o et seq. (agricultural improvement act of 2018, PL 115-334; 132 Stat. 4908, eff. December 20, 2018, <https://www.congress.gov/bill/115th-congress/house-bill/2/text>); and 7 C.F.R. part 990, (86 FR 5596, eff. March 22, 2021, https://www.ecfr.gov/cgi-bin/text-idx?node=se7.8.990_11&rgn=div8). The rule does not include any later amendments or editions of the incorporated matter.

"Intentionally" means the state of mind defined in A.R.S. § 13-105(10)(a) or any successor statute.

"Intentionally" means the state of mind defined in A.R.S. § 13-105(10)(a) or any successor statute.

"Key participant" means a sole proprietor, a partner in partnership, or a person with executive managerial control in a corporation. A person with executive managerial control includes persons such as a chief executive officer, chief operating officer, and chief financial officer. This definition does not include non-executive managers such as farm, field, or shift managers.

"Knowingly" means the state of mind defined in A.R.S. § 13-105(10)(a) or any successor statute.

"Licensing Agreement" means a contract between the Department and an applicant that indicates the terms and conditions required for a license issued pursuant to this Article.

"Lot" means the same as harvest lot.

"Manmade causes" means the influence to an industrial hemp crop created by a person, including but not limited to, irrigation, fertilization, chemical application, or physical interference.

"Measurement of Uncertainty (MU)" means the parameter, associated with the result of a measurement that characterizes the dispersion of the values that could reasonably be attributed to the particular quantity subject to measurement.

"Natural causes" means the influence to an industrial hemp crop created by elements of nature including, but not limited to, temperature, wind, rain, hail, or flood.

"Performance based sampling" means a sampling method established in substantive policy and posted on the Department's website that ensures, within a 95% confidence level, a harvest lot is compliant with this Article by not having a total delta-9 THC level above the acceptable limit.

"Program" means the Industrial Hemp Program.

"Propagative material" means any industrial hemp seedlings, explants, transplants, propagules, or other rooted material that is grown in a soilless media.

"Remediation" means the process for achieving compliance of non-compliant cannabis. Remediation can occur by removing and destroying flower material, while retaining stalk, stems, leaf material, and seeds. Remediation can also occur by shredding the entire plant into a biomass like material, then re-testing the shredded biomass material for compliance.

"Responsible party" means an individual that has signing authority of a partnership, limited liability company, association, company or corporation.

"THC" means Tetrahydrocannabinol

"THCA" means Tetrahydrocannabinolic Acid

"Total THC or total delta-9 THC" means the value determined after the process of decarboxylation, or the application of a conversion factor if the testing methodology does not include decarboxylation that expresses the potential total delta-9 tetrahydrocannabinol content derived from the sum of the THC and THCA content and reported on a dry weight basis. This post-decarboxylation value of THC can be calculated by using a chromatograph technique using heat, such as gas

chromatography, through which THCA is converted from its acid form to its neutral form, THC, which calculates the total potential THC in a given sample. The total THC can also be calculated by using a liquid chromatograph technique, which keeps the THCA intact. This technique requires the use of the following conversion: [Total THC = (0.877 x THCA) + THC] which calculates the potential total THC in a given sample.

~~"Total Delta-9 THC concentration" means the total calculable amount of the chemical compound, Delta-9 THC.~~

R3-4-1002. Program Eligibility

A. Eligibility requirements. Unless otherwise determined to be ineligible under this Article and not withstanding any other law, a person or responsible party that applies for a program license ~~or registration~~ shall:

1. Possess a valid fingerprint clearance card issued by the Arizona Department of Public Safety pursuant to A.R.S. § 41-1758.07.

~~a. Applicants who have had a felony narcotics conviction within ten years of the date of application shall not be granted a good cause exception under A.R.S. § 41-1758.07.~~

~~b. Applicants who have had a felony narcotics conviction prior to December 11, 2018; and that participated in an agricultural pilot program for the purpose of research into the growth, cultivation and marketing of industrial hemp as authorized by 7 U.S.C. § 5940 (agricultural act of 2014 PL 113-79; 128 Stat. 656, eff. January 5, 2015, <https://www.congress.gov/bill/113th-congress/house-bill/2642/text>) may petition the State for an exception to the eligibility exclusion in subsection R3-4-1002(A)(1)(a). The rule does not include any later amendments or editions of the incorporated matter.~~

2. Be a citizen of the United States or a legal resident alien, ~~an~~. An individual who applies for a program license and, is enrolled in an academic program at an accredited college or university, ~~and-but who~~ does not meet the criteria in this Section may be sponsored by an academic member of that college or university who meets the eligibility criteria in this Section and provides proof of eligibility as required in subsection R3-4-1002(B)(2).

3. Be ~~eighteen (18)~~ 18 years of age or older at the time of application.

B. Proof of eligibility.

1. ~~Unless otherwise allowed by an exception to the requirements of this section, The~~ the applicant shall provide the Department ~~shall accept~~ a legible photo copy, paper or electronic, of the applicants fingerprint clearance card described in subsection ~~(A)(1)-(A)(1)~~, which the Department will validate to ensure the applicant meets the eligibility requirements of this section.

2. The Department shall accept the documents listed in A.R.S. § 41-1080(A) as evidence of age and United States Citizenship or legal residency.

R3-4-1003. Licenses; Applications; Renewals; Withdrawal

- A. Any person that grows, harvests, transports, or processes industrial hemp in any of the following categories shall obtain the appropriate license from the Department and shall abide by the terms and conditions set forth in the licensing agreement with the Department. Types of licenses include:
1. Grower - An authorized ~~Grower-grower~~ license shall allow the licensee to obtain seed or propagative materials pursuant to this Article for planting, possess authorized seed ~~and/or~~and propagative materials for planting, cultivate the crop, harvest plant parts, possess and store harvested plant parts, and transport plant parts for processing.
 2. Nursery - An authorized ~~Nursery-nursery~~ license shall allow the licensee to propagate eligible seed and propagative materials for planting for a licensed grower. A licensed ~~Nursery-nursery~~ shall not grow industrial hemp for harvesting purposes, unless also licensed with the Department as a ~~Grower-grower~~.
 3. Harvester - An authorized ~~Harvester-harvester~~ license shall allow the licensee to engage in the activity of harvesting an eligible industrial hemp crop for a licensed grower.
 4. Transporter - An authorized ~~Transporter-transporter~~ license shall allow the licensee to engage in the transport of a harvested industrial hemp crop for a licensed grower.
 5. Processor - An authorized ~~Processor-processor~~ license shall allow the licensee to engage in the processing, handling, and storage of industrial hemp or hemp seed at one or more authorized locations in the state. The licensee may sell, distribute, transfer, or gift any products processed from harvested hemp that is not restricted in section R3-4-1012
- B. At a minimum, applications for a license shall contain the information required in subsections R3-4-1003(B)(1) through (6), plus any additional information that may be required by the Department. Location information shall be retained by the Department for not less than three years. Licensing fees ~~required under R3-4-1005~~ are due at the time of application ~~(R3-4-1005)~~.
1. All ~~licenses-applicants must provide~~.
 - a. Full name, mailing address, telephone number and email address;
 - b. Fingerprint clearance card identification number of the ~~person or responsible party applying applicant~~;
 - c. If the applicant represents a business entity, the full name of the business, the principal Arizona business location address, the full name, title, and email address of the of the responsible party;
 - d. Tax ID or Social Security Number; and
 - e. Disclosure and explanation of any instance in which the applicant has been denied, debarred, suspended, revoked, or otherwise prohibited from participating in any public procurement or licensing activity.
 2. ~~Applicants for a Grower's license-grower's license must also provide~~:

- a. Registered planting site(s): street address or major crossroads, legal description, and ~~GPS-coordinates-geospatial location~~ for each field, greenhouse, building or site where industrial hemp will be grown, updated annually, or within ~~thirty~~30 calendar days following a change;
 - b. Estimated acreage for each outdoor location ~~and/or~~and square footage for indoor or each greenhouse locations intended for planting;
 - c. Maps or aerial photos depicting each site where industrial hemp will be grown, handled, ~~and/or~~and stored, with appropriate designations for entrances, field boundaries, and specific locations corresponding to the ~~GPS coordinates- geospatial location information~~;
 - d. ~~Storage location(s) (expressed in GPS coordinates)-Geospatial location information of all storage locations~~ for seed or propagative materials, and harvested plants and plant parts; and
 - e. Maps or aerial photos depicting each site where industrial hemp seed ~~and/or~~and propagative materials will be stored and labeled with the corresponding ~~GPS-coordinates-geospatial location information~~.
3. ~~Applicants for a Nursery License-nursery license must also provide:~~
 - a. ~~Storage location(s) (expressed in GPS coordinates)-Geospatial location information of all storage locations~~ for seed or propagative materials;
 - b. ~~Locations (expressed in GPS coordinates) of all-Geospatial location information of all~~ propagation areas; and
 - c. ~~labeled-Labeled~~ maps or aerial photos depicting storage and propagation areas.
 4. ~~Applicants for a Harvester License-harvester license must also provide the Maps and the street address,~~ legal description and ~~GPS-coordinates-geospatial location information~~ for each location of the harvesting equipment ~~will be primarily based,~~ together with corresponding labeled maps or aerial photos of the location(s).
 5. ~~Applicants for a Transporter License-transporter license must also provide: Maps and the street address,~~ legal description, and ~~GPS-coordinates-geospatial location information~~ for each location the transporting vehicles and equipment ~~will be primarily based,~~ together with corresponding labeled maps or aerial photos of the location(s).
 6. ~~Applicants for a Processor License-processor license must also provide:~~
 - a. Identification of the part of a harvested hemp crop or plant to be received for processing, in the following categories:
 - i. Floral and leaf material, ~~or biomass~~;
 - ii. Seed for oil or grain;
 - iii. Stalks for fiber or hurds; ~~and~~
 - iv. Seed or propagative materials for planting.
 - b. ~~Registered processing-Processing~~ site(s) ~~information that includes:-Street~~ street address or major crossroads, legal

description, and ~~GPS coordinates~~ geospatial location information for each building or site where hemp will be processed or stored; or where mobile processing equipment will be primarily based; ~~and, together with labeled maps or aerial photos depicting the processing site information.~~

~~e.—Labeled maps or aerial photos depicting the information in subsection (b).~~

- C. Application submission dates. Applications may be submitted at any time during the year, but the expiration date of the license shall be on December 31~~st~~ annually, or biennially for a two-year renewal as authorized in ~~subsection R3-4-1003(D).~~ Renewal applications will be due no later than December 15th. An expired license may be reinstated up to three years after the expiration date, provided the applicant's business information has not changed.
- D. Application for one or two-year renewals. At a licensee's discretion, a person that has been licensed by the Department under the industrial hemp program may apply for a one or two year renewal provided:
1. The person was licensed in the industrial hemp program within the previous calendar year;
 2. The license of the person was in good standing at the time of renewal;
 3. There is no change in the person or responsible party licensed;
 4. There is no change in the physical location of the industrial hemp site;
 5. The licensee does not owe any civil penalties, fees, or late charges to the Department; and
 6. The person submits the associated fee for a one or two-year renewal.
- E. Licensing agreements. All approved applicants for a license shall complete a licensing agreement issued by the Department prior to receiving a license. The licensing agreement may include additional terms and conditions as needed to ensure compliance with this Article, applicable state and federal laws, and rules and orders of the Director, but, at a minimum the applicant will agree to:
1. Provide access, for authorized Department inspectors, at any time, to all hemp and hemp seed, planted or stored, and all records to determine compliance with this Article and any state or federal law, rule or order regulating ~~Cannabis~~ Cannabis as an agricultural crop;
 2. Maintain all records, as stated in section R3-4-1008 ~~of this Article;~~
 3. Pay all fees required indicated in Table 1 ~~of this Article;~~
 4. Comply with all pesticide use restrictions;
 5. Comply with all seed laws of the state;
 6. Defend, indemnify, and hold harmless the Department from liability for the destruction of any crop or harvested plant in violation of this Article;
 7. Be solely responsible for all financial or other losses;
 8. Be solely responsible for all land use restrictions, applicable city and county zoning, building, and fire codes and

ordinances; and

9. Follow all regulatory, notification and reporting requirements.

F. ~~Program withdrawal. Withdrawals.~~

1. ~~Unless otherwise authorized by the Associate Director, the licensee shall complete a withdrawal notice at least prior to withdrawal of the Program;~~When a licensee withdraws from the industrial hemp program, any licensing and inspection fees paid or invoiced prior to any notice of withdrawal are not eligible for refund. In order for a licensee to withdraw from the industrial hemp program, the following requirements must be met:

a. ~~Unless otherwise authorized by the Associate Director, the licensee shall complete and submit a withdrawal notice at least ten business days prior to the withdrawal of the Program; and~~

b. ~~Any industrial hemp or hemp seed, planted, harvested, or stored must be inspected by the Department prior to transport off of the property, disposal, or transfer to a new or existing licensee.~~

~~2. Any industrial hemp or hemp seed, planted, harvested, or stored must be inspected by the Department prior to transport off of the property, destruction or transfer to a new or existing licensee;~~

~~3. Any licensing and inspection fees paid or invoiced prior to any notice of withdrawal are not eligible for refund; and~~

~~4.2.~~ Withdrawal after submittal of an application but prior to issuance of a license will be prohibited unless the Department determines, in its sole discretion, that such withdrawal is appropriate.

G. Site modification. Anytime a licensed grower, processor or nursery modifies the registered site ~~during the licensing period~~ by changing the location of an existing site or by adding additional sites under the license, ~~or removing a registered site from the licensee's record,~~ the licensee shall submit a site modification application and associated site modification fee listed in Table 1 ~~of this Article.~~ ~~There is no site modification fee for the request to remove a registered site from the licensee's record or when modifying or adding a site during the licensee's renewal process.~~

H. License transfer. The transfer of an ~~Industrial-industrial~~ hemp license is authorized only if the licensee and eligible program applicant completes ~~a and submits a notarized~~ Department issued transfer application and submits any applicable transfer fees listed in Table 1 ~~of this Article.~~ The receiver of a transferred license shall complete a licensing application, and execute a licensing agreement as required by this Article, and all duties and responsibilities of the licensee shall be transferred to and acknowledged by the receiver in a written agreement between the licensee and receiver. Any license or other fees paid by the licensee shall be credited to the benefit of the receiver.

I. ~~Change in Business Information. Licensees must complete and submit a Change in Business Information form within ten business days if there is any change in business information including business name, address, or other contact information.~~

- A. A person, company, college or university that conducts research into the growth, harvesting techniques, transportation methods, or processing of industrial hemp is required to obtain a license pursuant to this Article.
- B. A person, company, college or university conducting not-for-profit research may be exempted from the licensing fee(s) provided that:
 1. The applicant submits to the Department a request for an exemption of the licensing fee;
 2. The applicant provides a summary of the research to be conducted;
 3. The applicant provides a summary of the benefit to the agricultural community that will be gained;
 4. The applicant signs into an agreement with the Department that as a result of the research conducted the applicant will not gain any monetary profit;
 5. The research will be conducted in compliance with this Article or any other law, rule, or order governing the production of industrial hemp; and
 6. The results or summary of the research will be published or made publicly available.
- C. Intellectual property. The Department holds no rights to any intellectual property ~~of the licensee resulting from industrial hemp research.~~
- D. Restrictions.
 1. A licensee shall not change not-for-profit research to for-profit research without notifying the Department and paying the required licensing fee.
 2. Hemp and hemp products produced under a hemp research exemption, excluding hemp seed, are not eligible to enter the commercial stream of commerce.

R3-4-1005. Fees

- A. All licensing ~~and/or registration~~ fees are due at the time of application.
- B. A ~~Grower-grower~~ applicant or licensee is not required to pay separate harvester ~~and/or~~ transporter licensing fees, unless providing harvesting ~~and/or~~ transport services for other licensed growers.
- C. Inspection and assessment fees are invoiced by the Department and are due within 30 calendar days of the invoice date.
- D. Site modification fees. The appropriate fee shall be submitted at the time an applicant submits a site modification application as provided in R3-4-1003(G)
- E. Processor ~~Assessment-assessment~~ fees are based on tonnage reports, shipping manifests or scale receipts of unprocessed hemp plants or plant parts received.
- F. All outstanding ~~Inspection-inspection~~ and ~~Assessment-assessment~~ fees invoiced prior to November 15th, shall be paid in full prior to the Department's processing of a licensee's renewal application.

G. THC sample analysis fees. Beyond the initial pre-harvest sample collected to determine regulatory compliance of a harvest lot of hemp, a licensee will be ~~invoiced~~ required to pay for any analytical fees before results are released, beyond the samples selected to determine regulatory compliance. These include:

1. Any pre-harvest ~~re-samples re-tests~~ for crops that indicated a result above the threshold for compliance;
2. Post-harvest samples that have been determined to be a regulatory concern by the Department; or
3. By request from the grower that requires official analysis for commerce.

Table 1. Fee Schedule

License	Licensing Fee	Inspection/Assessment Fee
Grower	\$1,500 \$1,000 per license	\$25 per <u>one or less than one</u> outdoor acre up to 100 acres \$5 acre for each additional acre \$75 per indoor facility up to 3 acres; \$25 per acre for facilities over 3 acres \$150 per THC sample analysis (G) \$150 per THC sample analysis (G)
Nursery	\$1,000 \$650 per license	NA
Harvester	\$150 \$100 per license	N/A
Transporter	\$150 \$100 per license	N/A
Processor	\$3,000 \$2,000 per license	\$0.5 ton Fiber \$5 ton Oil Seed/Grain \$100 ton floral material \$150 per THC sample analysis (G)
All	Site modification fee: \$300	N/A

R3-4-1006. Authorized Seed and Propagative Material

- A. Authorized seeds and propagative material. Seeds and propagative materials authorized for use by a licensee is not a guarantee a crop will produce a ~~Total-Delta-total delta~~-9 THC concentration of not greater than 0.300%. Seeds and propagative material that are used to produce an industrial hemp crop or plant shall:
1. Be produced from an industrial hemp crop or plant; and
 2. Originate from either:
 - a. A person, business, college or university licensed or certified in a state or federal program authorized to produce industrial hemp; or
 - b. A foreign source that is authorized by the country of origin to export industrial hemp seed or propagative material to produce an industrial hemp crop.
- B. Each licensed grower or nursery is responsible for the acquisition of seed or propagative materials used for the growth of industrial hemp. The licensee shall ~~provide the Department the following information prior to planting~~ keep and maintain the following information:
1. A copy of the seed or propagative material producer's certificate, license or equivalent documentation authorizing the production of industrial hemp;
 2. An official analysis of the crop or plant that produced the seed or propagative material that indicates the crop or plant contained a ~~Total-Delta-total delta~~-9 THC concentration of not greater than 0.300% on a dry weight basis; and
 3. Phytosanitary certificates or nursery certificates issued by a plant regulatory official for any propagative materials to ensure compliance with A.R.S. § 3-211 and ~~3-A.A.C. 2;~~ and Title 3, Chapter 4, Article 2 of the Arizona Administrative Code.
 4. ~~A pre-planting report, on a form provided by the Department, which includes:~~
 - a. ~~The variety/strain name of the material;~~
 - b. ~~The amount or quantity of the material;~~
 - c. ~~The lot number(s) of the material; and~~
 - d. ~~The name, address, phone number and email address of the seed or propagative material provider.~~
- C. Labeling requirements. All Industrial Hemp seed or propagative material sold within or into Arizona must be labeled as to variety/strain or hybrid name, and origin. ~~Labelers of seed or propagative material must provide to the Department, breeder descriptions and variety release information including any subsequent updates/amendments to these descriptions.~~
1. For purposes of labeling, the number or other designations of hybrid industrial hemp shall be used as a variety name.
 2. All Industrial Hemp seed for planting purposes sold within or into Arizona is subject to the Arizona seed laws under A.R.S. §§ 3-231 ~~et seq. et seq.~~ and ~~3-A.A.C. 4~~ Title 3, Chapter 4, Article 4 of the Arizona Administrative Code.

D. Shipment of hemp plants for planting purposes.

1. Hemp plants for planting purposes produced by a licensed nursery for intrastate or interstate shipment shall:
 - a. Have been produced from authorized hemp material as indicated in R3-4-1006(A);
 - b. Have been produced in compliance with the laws, rules and order of the Director for the production of industrial hemp;
 - c. Be transported with a copy of the nursery producer license; a copy of the receiving grower license; and a manifest or bill of lading indicating the amount in the shipment and physical destination of the shipment; and
 - d. Only be sold or distributed to an entity or individual licensed to produce hemp.
2. Hemp plants produced by a licensed nursery for the interstate shipment of hemp plants for planting purposes shall, in addition to the requirements in R3-4-1006(D)(1):
 - a. Be accompanied by a certificate issued by the Department that attests the material was produced in compliance with laws, rules and orders of the Director regulating the production of industrial hemp in the state; and
 - b. Ensure compliance with all plant quarantine requirements of the destination state and certification as indicated in R3-4-301 as applicable.

D.E. Restrictions.

1. A person that receives seed or propagative materials that does not comply with this Article or any other phytosanitary, seed or labeling law of the state shall immediately notify the Department and hold the seed or propagative material until a disposition is provided by the Department.
2. The Department may direct a licensee to place a shipment of seed or propagative material on hold to ensure compliance with this Article and any other law or regulation that may apply to the shipment of agricultural seed and plants for planting purposes.

R3-4-1007. Location Requirements; Signage

A. Location requirements.

1. A Licensed ~~Grower-grower~~ or ~~Processor-processor~~ shall not grow, process, or store industrial hemp in any residential dwelling.
2. A Licensee is responsible for maintaining compliance with all applicable city and county land use restrictions, zoning laws, building, and fire codes and ordinances.
3. A registered location shall be made available for inspection at the request of an inspector during normal business hours.
4. A licensed grower or processor shall not grow, process, or store any forms of Cannabis that are not classified as industrial hemp within a single structure at the registered location.

- B. Signage. The use of the Arizona Department of Agriculture logo or likeness is not permitted on signage. A licensed grower or processor shall conspicuously post signage at the perimeter of the registered location that includes the following information:
1. The statement, "Arizona Department of Agriculture Industrial Hemp Program - No Trespassing Allowed";
 2. Licensee's name or company name and license number; and
 3. The Arizona Department of Agriculture, Industrial Hemp Program phone number.

R3-4-1008. Compliance; Recordkeeping; Audits

- A. General compliance requirements.
1. All licensees are subject to audits to ensure compliance with the recordkeeping requirements in subsection R3-4-1008(B);
 2. An authorized Department inspector shall be allowed access to all growing, storage, and processing locations of a licensee's industrial hemp crop, hemp seed, propagative material, harvested material, handling and processing equipment to conduct a visual inspection and determine if a violation of this Article may exist.
- B. Recordkeeping. All licensees may be audited to ensure compliance with all recordkeeping requirements. A licensee shall comply with the recordkeeping requirements in this subsection at a minimum. Additional recordkeeping requirements may be established as set ~~in~~ by policy and updated annually.
1. All records documenting the geospatial location, growth, propagation, harvesting, storage, agronomic data, shipping, receiving, transportation, distribution, processing, sale, purchase, third party analysis or research of all plants, seeds and materials shall be kept within the state of Arizona and made available for inspection on request.
 2. An in-state agent must be maintained for receipt and storage of records.
 3. All records shall be maintained for not less than five years.
- C. Sampling and testing. All licensees are subject to the collection of a representative sample of any *Cannabis* plant, hemp crop or harvested hemp in possession of the licensee or licensee's agent to determine the total concentration of ~~Delta delta~~-9 THC as reported by a certified laboratory to ensure compliance with this Article and any state or federal law, rule or order regulating *Cannabis* as an agricultural commodity. Unless otherwise specified in an alternative performance based sampling policy, crops shall be sampled within 30 days prior to the intended date of harvest and samples must be collected from mature flowering plants. All sampling agents must have undergone official sampling training by an authorized representative of the Department for the collection of cannabis samples for determination of compliance with the program. A licensed grower shall not harvest an industrial hemp crop prior to the collection of an official sample for compliance purposes.

1. Sampling method. The Department shall publish a policy on the ~~methods-procedures used by the Department to sample in which a Cannabis a Cannabis~~ plant or crop; ~~may be sampled and may publish a policy or policies for alternative, performance-based methods that have the potential to ensure, at a 95% level of confidence, that the Cannabis plant or crop will not test above the acceptable hemp total delta-9 THC level, such policy or policies which~~ may be updated annually as ~~needed~~ dictated by changing circumstances.
2. Only an authorized Department inspector, or other authorized sampling agent, may collect an official sample to determine compliance with this Article.
3. When collecting an official sample, an authorized Department inspector, or other authorized sampling agent, shall:
 - a. Ensure the licensee or authorized representative of the licensee is present during the collection of the official sample;
 - ~~a-b.~~ Collect a representative sample of the crop, plants or harvested crop;
 - ~~b-c.~~ Split the official sample as follows:
 - i. One-third for retention by the Department or to provide to a certified laboratory for compliance with this Article;
 - ii. One-third for confirmation of analytical results if required; and
 - iii. One-third that is provided to the licensee for retention or to utilize for additional analysis by a third party laboratory. Any results provided to the licensee by a third party laboratory do not supersede official results.
 - ~~e-d.~~ Label all official samples with an official sample number, sample date, collector name, location ID, and grower license ID number;
 - ~~d-e.~~ Apply official custody seals to all official samples; and
 - ~~e-f.~~ Complete an official chain of custody form that is signed and dated by the inspector and licensee or the licensee's representative.
4. Sample transport and submission. The Department shall not be liable for samples that are detained by any federal, state or local law enforcement agency.
 - a. If a certified laboratory receives a sample with a broken custody seal or incomplete or missing chain of custody, that sample shall be null and void;
 - b. All official samples retained by the Department are the property of the Department; and
 - c. The Department is not liable to reimburse the licensee for official samples collected.
5. Laboratory Standards. Certified laboratories conducting testing of hemp must conduct analytical testing for purposes of detecting the total calculable amount of delta-9 THC and shall meet the following standards:
 - a. Laboratory quality assurance must ensure the validity and reliability of test results;

- b. Analytical method selection, validation, and verification must ensure that the testing method used is appropriate and that the laboratory can successfully perform the testing;
- c. The demonstration of testing validity must ensure consistent and accurate analytical performance; and
- d. Method performance specifications must ensure analytical tests are sufficiently sensitive for the purposes of the detectability requirements of this Article.
- e. At a minimum, analytical testing of samples for total calculable amount of delta-9 THC levels must use post-decarboxylation or other similarly reliable methods approved by the U.S. Secretary of Agriculture. The testing methodology must consider the potential conversion of delta-9 tetrahydrocannabinolic acid (THCA) in hemp into delta-9 tetrahydrocannabinol (THC). The test result must reflect the total calculable amount of delta-9 THC. Testing methodologies meeting these requirements include, but are not limited to, gas chromatography and high-performance liquid chromatography.
- f. The total delta-9 tetrahydrocannabinol concentration level shall be determined and reported on a dry weight basis.
- g. Certified laboratories must report the measurement of uncertainty (MU) of the methodology, in reference to the U.S. Department of Agriculture's Laboratory Testing Guidelines, U.S. Hemp Production Program, published on January 15, 2021, or its successor document in reference to the AOAC International (Association of Official Agricultural Chemists), Standard Method Performance Requirements (SMPRs®) for Quantitation of Cannabinoids in Plant Materials of Hemp (Low THC Varieties *Cannabis* sp.) SMPR 2019.003 found at the website: <https://www.aoac.org/resources/smpr-2019003/>. Certified laboratories must also report the MU as a \pm value and report the total delta-9 value in the same unit of measure used to report the MU.
- h. Any sample test result showing with at least 95% confidence that the total delta 9 THC content of the sample is higher than the acceptable hemp THC level shall be conclusive evidence that the lot represented by the sample is not in compliance with this Article.

6. DEA Registration. Certified laboratories must also be registered with DEA to handle controlled substances under the Controlled Substances Act (CSA), 21 CFR part 1301.13 no later than December 31, 2022.

~~5-7. Sample results. Any A copy of any result provided to the Department by a certified laboratory produced by a certified laboratory shall be provided to the licensee, but such result is the property of the state and a copy shall be provided to the licensee.~~

D. ~~Volunteer hemp plants. It shall be the responsibility of the licensee to monitor and destroy.~~Crop compliance.

1. Compliant crops. When a crop is found to be compliant with the regulations governing the production of industrial hemp, a grower will be provided documentation authorizing the movement of the harvest lot. Upon receiving authorization from the Department the licensed grower shall not comingle the harvest lot with any other compliant or

non-compliant harvest lot. The grower shall:

a. Harvest the compliant harvest lot within 30 business days;

b. Notify the Department if there is a delay in the 30 business day harvest window due to inclement weather or other natural causes; and

c. Notify the Department prior to shipping or transporting the harvest lot as provided in section R3-4-1011(D).

2. Non-compliant crops. Non-compliant crops with a total delta-9 THC concentration greater than 0.3% shall not be allowed into the stream of commerce. When a crop is found to be non-compliant with the regulations governing the production of industrial hemp, a grower will be required, within 15 business days of notification of non-compliance, to either voluntarily dispose of the crop by a method prescribed in R3-4-1013(F) and submit a notice of destruction R3-4-1011(E), together with supporting evidence of disposal. Alternatively the grower may submit a corrective action plan under R3-4-1013(D) to remediate the crop to achieve compliance with the regulations governing the production of industrial hemp. A corrective action plan may be issued by the Department, or if submitted by the grower, must be approved by the Department. A corrective action plan will only be approved if the total delta-9 THC concentration is greater than 0.3% and less than 1.0%. Failure to dispose of the crop or comply with approved corrective action plan may result in a notice of violation under R3-4-1012. Upon receiving a notification of non-compliance from the Department, the licensed grower shall not move or transport the non-compliant crop from the hemp site, unless otherwise permitted by the Department to remediate the crop. Non-compliant crops shall not be comingled with any other compliant or non-compliant harvest lot. Harvest lots with a total delta-9 THC concentration greater than 1.0% constitutes a violation and must be disposed of by method indicated in section R3-4-1013(F).

E. Volunteer hemp plants. It shall be the responsibility of the licensee to monitor and destroy volunteer hemp plants.

R3-4-1011. Notifications; Reports

A. All notifications and reports for licensees shall be made on forms provided by the Department unless otherwise indicated in this section or as directed by the Associate Director.

~~**B.** Grower Licensees shall notify the Department of the following activity:~~

~~1. Notice of intent to harvest no less than 14 days prior to harvest;~~

~~2. Intent to transport a harvested crop no less than 72 hours prior to shipment or transport;~~

~~3. Notify the Department of any significant damage or destruction of a crop or harvested crop caused by natural or manmade causes within 48 hours of discovery of the damage or destruction.~~

~~4. Notify the Department within 14 days if any change in business information including business name, address, contact information or responsible party.~~

~~C. Planting report. Within 7 days after planting, complete and submit a planting report that includes:~~

- ~~1. The Growers license number;~~
- ~~2. The location(s) where a crop was planted (the "site"), expressed in GPS Coordinates and displayed on a map or aerial photo;~~
- ~~3. The variety name(s) of each planting corresponding to the location indicated in subsection (C)(2); and~~
- ~~4. The actual area planted of each site.~~

B. Planting Report. Within five business days after planting a harvest lot of hemp, a grower must complete and submit a planting report that includes, at a minimum the following:

1. The contact information of the licensee, including license number;
2. A unique harvest lot identification number assigned by the grower or nursery
3. The geospatial location information where a harvest lot was planted (the "site");
4. The variety name of the harvest lot;
5. The actual area planted with each lot; and
6. The estimated date of harvest or transplanting.

C. Grower Notice of Intent to Harvest. Within 30 calendar days prior to harvest, a grower must complete and submit a Notice of Intent to Harvest form for each harvest lot to be sampled that includes, at a minimum the following:

1. The contact information of the grower, including license number;
2. The unique harvest lot identification number assigned by the grower as initially indicated on the planting report;
3. The geospatial location(s) information of the harvest lot to be sampled (the "site");
4. The variety name of the harvest lot;
5. The size of the area to be harvested; and
6. The intended date of harvest.

D. Notice of Intent to Transport. Within three business days prior to transporting a lot of harvested hemp for processing, a grower must complete and submit a Notice of Intent to Transport form for each harvest lot transported to a processor that includes, at a minimum the following:

1. The contact information of the grower, including license number;
2. The unique harvest lot identification number assigned by the grower as initially indicated on the planting report;
3. The geospatial location(s) information of the harvest lot to be transported;
4. The variety name of the harvest lot;
5. The amount of harvested hemp to be transported;
6. The intended date of transport; and

7. The contact information of the receiver.

E. Notice of Destruction. Within three calendar days after a grower has found a harvest lot significantly damaged, completely destroyed, or has disposed of a harvest lot, a grower must complete and submit a Notice of Destruction form that includes, at a minimum the following:

1. The contact information of the grower, including license number;

2. The unique harvest lot identification number assigned by the grower as initially indicated on the planting report;

3. The geospatial location(s) information of the harvest lot subject to damage, destruction, or disposal (the "site");

4. The variety name of the harvest lot;

5. The size of the area that was subject to damage, destruction, or disposal; and

6. The date the damage or destruction was discovered, or date of disposal.

D.F. Grower and nursery annual reports. By December 31st of each year, a grower or nursery shall provide the Department a report of the following:

1. The sale or distribution of any industrial hemp grown under the grower's license;

2. The name and address of the person or entity receiving the industrial hemp; and

3. The amount of the industrial hemp sold or distributed.

E.G. Processor notifications. ~~A licensed processor shall notify the department of all shipments of industrial hemp imported from outside of the state for processing within 72 hours of receipt of the shipment. The notification shall include: All shipments of industrial hemp received into a processing facility must be reported to the Department.~~

1. For the importation of hemp material for processing, a licensed processor shall notify the department of the shipment, within three business days of receipt of the shipment. The notification shall include the following information:

~~1-a.~~ A copy of the shipping manifest that indicates the name, physical address, and phone number of the shipper, and the total weight of the hemp commodity in the shipment;

~~2-b.~~ A copy of the documentation issued by a regulatory official that attests the hemp commodity ~~contains a Total Delta-9 THC Concentration not greater than 0.300%~~ was produced with an acceptable concentration of total delta-9 THC;

~~3-c.~~ A copy of the industrial hemp grower's certificate, license or equivalent documentation authorizing the production of industrial hemp in that state; and

~~4-d.~~ A phytosanitary certificate, if required, ~~or a~~ certificate of inspection, or certificate of origin issued by a plant regulatory official; ~~and.~~

~~5. Documentation issued at origin that attests to the owner, origin, type and amount of hemp material in the shipment.~~

2. For the invoicing of processor assessment fees listed in Table 1, a notification shall be filed with the Department within

30 calendar days of receipt of the shipment(s) that contains the following information:

a. The grower's license number;

b. The harvest lot number issued by the Department or an authorizing state;

c. The amount of material in the shipment; and

d. The date the shipment was received.

- F. Other notifications. A licensee shall notify the Department within ~~72 hours~~ three business days from receipt of results of any third party analysis that determined a hemp crop or plant sample contained a ~~Delta total delta-9~~ THC concentration greater than ~~0.300%~~ 1.0%.

R3-4-1012. Unauthorized Activity; Violations

A. A licensee ~~shall have committed~~ commits a violation of this Article by:

1. Failing to provide a legal description of land on which a licensee grows, processes, stores or researches industrial hemp or hemp seed;
2. Failing to obtain the proper license with the Department;
3. Producing or distributing Cannabis sativa, with a total ~~Delta dclta-9~~ THC concentration greater than ~~0.300%~~ 1.0% on a dry weight basis, unless otherwise permitted by state or federal law, rule or order;
4. Violating a term or condition of the signed licensing agreement or corrective action plan; or
5. Violating any law, rule, or order in the regulation of industrial hemp.

B. False Statement. Any person who materially falsifies any information contained in an application to participate in the program established under this Article shall be ineligible to participate in the program.

C. No unauthorized person shall:

1. Grow, cultivate, handle, store, harvest, transport, import or process industrial hemp
2. Trespass on a property registered as an industrial hemp site;
3. Disturb, damage or destroy an industrial hemp plant or crop on a registered location; or
4. Tamper, damage or destroy posted signage as required under ~~R3-4-1008~~ R3-4-1007(B).

D. No authorized program licensee shall:

1. Offer for sale, trade, transfer possession of, gift, or otherwise relinquish possession of industrial hemp plants, plant parts, or hemp seed that is capable of germination to an unauthorized person;
2. Destroy an industrial hemp crop, stored industrial hemp or hemp seed without prior notification to the ~~Department.~~ Department; or
- ~~3. Transport industrial hemp plants, seed, propagative material or unprocessed harvested industrial hemp without~~

~~notifying the Department; or~~

~~4.3. Import or export industrial hemp plants or plant parts for processing; or seed or propagative material for planting purposes, without notifying the Department and complying with all import or export regulatory requirements ~~as determined by a regulatory official.~~~~

- E. ~~Intentional or Knowing Violations.~~ Intentional, Knowing, or Negligent Violations. Any violation ~~of state or federal law rule or order~~ that is determined to be committed intentionally or knowingly shall be reported to the State Attorney General, the U.S. Attorney General and any relevant state and local law enforcement agencies. Negligent violations are not subject to federal, state, tribal, or local government criminal enforcement action.

R3-4-1013. Corrective Actions

- A. In addition to being subject to possible license suspension, license revocation, and monetary civil penalty procedures ~~set forth in A.A.C. under~~ R3-4-1014, a person who is found by the Department to have violated any law, rule or Director's Order governing that person's participation in the program ~~shall~~ may be subject to a corrective action plan.
- B. The Associate Director may ~~request that the licensee submit a corrective action plan, or may~~ impose a written and dated corrective action plan for a negligent violation or non-compliance of any law, rule or Director's Order governing a person's participation in the hemp program.
- C. Corrective action plans ~~issued by the Department~~ shall include, at a minimum, the following information:
1. The requirements a person must fulfill to correct a violation or non-compliance of this Article as indicated in ~~subsection R3-4-1013(D);~~
 2. A reasonable date by which the person shall complete violation or non-compliance corrections; and
 3. For violations pursued under A.R.S. § 3-319, A ~~a~~ requirement for periodic reports from the violator to the department about the violator's compliance with the corrective action plan, laws, rules or Director's Orders for a period of ~~at least three years~~ not less than two years from the date of the ~~corrective action plan violation.~~
- D. Corrective Action Plan. ~~The Department may prescribe one or more of the following provisions to a person in violation or non-compliance of this Article.~~
1. Hemp crops or harvested hemp shall not be removed from the licensee's registered hemp site if found ~~in violation of Section R3-4-1012 (A)(3) non-compliant~~ by having a ~~Total Delta total delta~~ 9 THC concentration of greater than 0.300%, but less than 1.0% on a dry weight ~~basis.~~ basis, unless granted authorization by the Associate Director to complete the measures in an approved corrective action plan.
 2. In addition to one or more of the components listed in A.R.S. § 3-317, ~~a corrective action plan may contain one or more of the requirements~~ the Department may prescribe one or more of the following actions as part of a corrective action

plan:


- a. Stripping stalks and ~~destruction disposal~~ of floral material;
 - b. Sterilization of seed and ~~destruction disposal~~ of floral material;
 - c. THC remediation of leaf and floral material as prescribed by the Associate Director;
 - d. Blending and milling of the entire plant/crop to a homogenized state, then resampled for compliance;
 - ~~d.e.~~ Education and training; and/or
 - ~~e.f.~~ Other corrective measures prescribed by the Associate Director
3. Failure to complete the prescribed corrective measure within the timeframe indicated in the corrective action plan or to complete any component of a corrective action plan shall constitute a second violation of this Article.
 4. The cost of implementing a corrective action plan is the burden of the licensee.
- E. Repeat negligent violations. A person that violates this Article, the laws governing the production of industrial hemp, or any order issued by the Associate Director three times in a five-year period shall be ineligible for an industrial hemp license ~~issued by the Department~~ for a period of five years beginning on the date of the third violation. All negligent violations within one year counts as one negligent violation.
- F. Methods of disposal. Disposal of any industrial hemp crop or plant, whether such disposal is pursuant to voluntarily action by the licensee or pursuant to a Department order of disposal, shall be accomplished by one or more of the following methods:
1. Plowing under;
 2. Mulching or composting;
 3. Disking;
 4. Bush Mower or chopper;
 5. Deep burial; and
 6. Burning or incinerating

R3-4-1014.Penalties

- A. Civil penalties. ~~A person that violates this Article, a licensing requirement, a licensing term or condition, or any other rule or order of the Department within a five year period may be fined as follows:~~ Civil penalties shall be imposed under A.R.S. § 3-319.
- ~~1. First offense—\$1,000~~
 - ~~2. Second offense—\$2,500~~
 - ~~3. Third offense—\$5000~~

- B.** License suspension. A person that violates this Article, a licensing requirement, a licensing term or condition, or any other rule or order of the Department may have their licensing privileges suspended until completion of any corrective actions prescribed in ~~Section~~ R3-4-1013.
- C.** License revocation. A person that intentionally violates this Article, a licensing requirement, a licensing term or condition, or any other rule or order of the Department, or who commits a third negligent offense within a five year period may be subject to one or more of the following penalties:
1. ~~Shall have Revocation of~~ all licenses issued ~~pursuant to under~~ this Article ~~revoked~~;
 2. ~~All Seizure and destruction of all~~ hemp crops, seed, and harvested industrial hemp of the licensee ~~shall be seized and destroyed as prescribed by the Associate Director, at the cost of the licensee; and~~
 3. ~~The person found in violation shall be responsible for the cost of the destruction of all hemp crops, seed, and harvested material; and~~
 - 4.3. ~~The person in violation shall not be eligible~~ Ineligibility for a license under this Article for a period not less than five years.
- D.** Intentional or knowing violations committed by unlicensed individuals shall be punished according to A.R.S. §§ 3-319 ~~and/or~~ and 13-3405.

EXHIBIT D

<p>ARIZONA DEPARTMENT OF AGRICULTURE</p> <p><u>SUBSTANTIVE POLICY STATEMENT</u></p> <p>PLANT SERVICES DIVISION</p> <p>Industrial Hemp Sampling Method</p>	<p>DIVISION/ PROGRAM PSD</p> <hr/> <p>SP 19-01</p> <hr/> <p>SIGNATURE </p> <hr/> <p>DATE 9/14/19</p> <hr/>
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This substantive policy statement is advisory only. A substantive policy statement does not include internal procedural documents that only affect the internal procedures of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona administrative procedure act. If you believe that this substantive policy statement does impose additional requirements or penalties on regulated parties you may petition the agency under section 41-1033, Arizona Revised Statutes, for a review of the statement.

1. BACKGROUND

The Plant Services Division provides regulatory oversight for the production of industrial hemp in the state. During inspections of crops or plants an inspector may collect a representative sample to determine compliance for total Delta-9 Tetrahydrocannabinol (THC) concentration and the provisions in A.R.S. § 3-316 and A.A.C. R3-4-1008.

A.A.C. R3-4-1008(C) requires the Department to publish a policy on the method used by the Department to collect a sample of a plant or crop. This policy describes the Department's current approach to sample collection.

2. POLICY

To comply with the requirements for total concentration of Delta-9 THC sampling and testing under A.R.S. § 3-316 and A.A.C. R3-4-1008, all sampling must be conducted as described in this policy.

A. General Sampling Requirements

1. Official regulatory sampling may only be performed by the Arizona Department of Agriculture (Department). Samples collected for un-official analysis by a licensee should follow this policy to help reduce the standard deviation of analytical results. Only the Arizona State Agricultural Laboratory (SAL) or a third party laboratory certified by the SAL, herein referred to as laboratory, may run official regulatory samples.
2. For the 2019 growing season, all sampling performed by the Department, herein referred to as sampler, shall be in accordance with A.R.S. § 3-314, 3-145, and this protocol. All samplers must complete sampling training with the Department or the SAL.
3. All samplers must follow chain of custody procedures consistent with Department protocol and be documented to record the collection, transport, and receipt of samples

by the Department or laboratory. A laboratory must maintain records for each harvest lot as identified by harvest lot identifier.

4. Sampling must produce a representative sample of the harvest lot.

5. Composite samples should be taken for each variety in a growing area or contiguous growing area.

6. A sampler and laboratory must avoid contamination of the non-sampled material with sample containers that are free of analytes of interest and appropriate for the analyses requested.

7. Samples should be collected from the inflorescence including foliage leaf material, involucre leaves and buds. While stems and seeds may be collected during the process to speed sampling, they will be removed for testing purposes during lab processing.

8. Each composite sample should be divided into three split testing specimens, all labeled the same. a) One specimen will be used for compliance testing and reporting. b) One specimen will be retained for retesting if necessary. c) One specimen will be provided to the grower for separate analysis of the licensee's choice (i.e. cannabinoid profile, etc.).

9. The sample retained for retesting as described in section A(8)(b) will be in the custody of the SAL for thirty (30) days after collection. If no confirmation of results is requested by a licensee the retention sample will be disposed at the discretion of the SAL. If the confirmation of results is requested by the licensee, the retention sample will be retained for an additional thirty (30) days. The licensee is responsible for the fees described in A.A.C. R3-4-1005(G) and Table 1.

10. Only total concentration Delta-9 THC results from the compliance testing or retention sample may be used for official regulatory results.

11. Samplers must obtain a sufficient sample size to provide sufficient material to conduct all requested tests, any requested retest, and any quality control performed by the testing laboratory. In no instance shall an individual sample weigh less than 4oz (113g) and 12oz (339g) total for split samples, which is the minimum amount necessary for laboratory tests and file samples.

11. Samplers must ensure collected samples are kept cool (not to exceed 45° F (7° C)) and secured while in transit. Only use ice packs and keep sample storage container dry.

B. Sampling Equipment

The sampler should bring the following equipment at a minimum:

- Inspection Forms
- Garden shears/clippers
- Alcohol wipes or disinfectant
- Disposable nitrile gloves
- Brown paper sample bags
- Marker
- Chain of custody form
- Chain of custody seal
- Sampling record form
- Aerial View Map(s)
- Bucket
- Cooler/Ice Packs

C. Sampling Procedure

1. The sample pattern must ensure that all parts of the field are adequately and proportionately represented in the plants inspected and sampled.

2. The sampler must use a saw tooth pattern when sampling the field when possible.

Two (2) saw tooth patterns are provided below. The approved sampler must choose one of the patterns most suitable for the field to be sampled. (Figure 1 and 2). The sampler must sample according to the pattern to the extent possible but may deviate from the pattern as necessary to account for particular field conditions and to ensure that all parts of the field are adequately and proportionately sampled to produce a representative sample.

3. Samples should be collected from the top portion of the plant.
4. Samples should be collected from the inflorescence including foliage leaf material, involucre leaves and buds, and shall be approximately 6in to 8in (15cm to 20 cm) length (plant head). Samplers should avoid sampling dead, diseased, or mechanically injured plants.
5. Garden shears/clippers must be cleaned with alcohol wipes or disinfectant between each sample collected.
6. A sample shall consist of one plant head per plant, from approximately thirty (30) plants. If a limited number of plants are available, the minimum sample size requirement under section A(10) must be met. Cut plant head samples into thirds, place into a bucket, and gently homogenize the sample.
7. For greenhouses, small fields, or when sampling from a known number of plants, the Hypergeometric Table (Table 1.) below should be used.
8. Place an equal amount of the homogenized sample into three (3) separate sample bags (specimens).
9. Specimens shall be sealed and recorded for chain of custody in preparation for transport to the lab, and all additional laboratory preparation and transportation specifications should be followed.
10. On the sample bag, record the harvest lot number, official sample number, sample date, collector's name, location ID#, and grower's license number.
11. Complete a chain of custody form that is signed and dated by the sampler and licensee or licensee's representative.

D. Custody Seal & Chain of Custody

1. All samples shall be sealed and include a completed chain of custody.
2. All custody seals and sample containers shall be intact upon receipt by a laboratory.
3. Any samples submitted with a broken or removed custody seal, or sample containers that are not intact shall null and void any official results.
4. Only custody seals that maintain the integrity of sample shall be used.
5. The custody seal of each sample shall be signed and dated by the sampler.
6. The laboratory shall maintain logs and records of custody seals and chain of custody documents.
7. Any official sample received by the laboratory that is not intact or is not accompanied by correct custody documentation shall be reported to the manager of the laboratory and to the Department contact listed on the chain of custody.
8. Only samples submitted by the Department may be used for official results.

Saw Tooth Patterns:

Figure 1. This is a typical saw tooth pattern starting in the lower “left” corner of the field. The yellow dots indicate the approximate locations to collect samples.

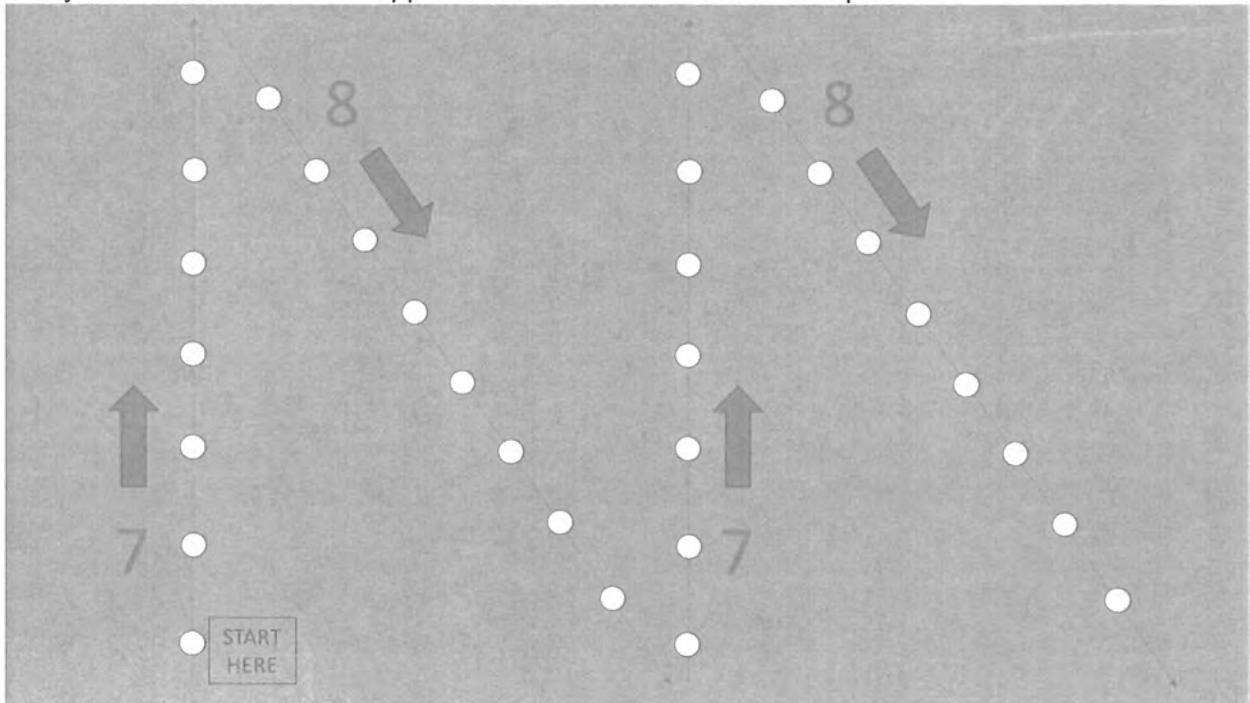


Figure 2. This is another typical saw tooth survey pattern starting in the top “left” corner of the field. The yellow dots indicate the approximate locations to collect samples.

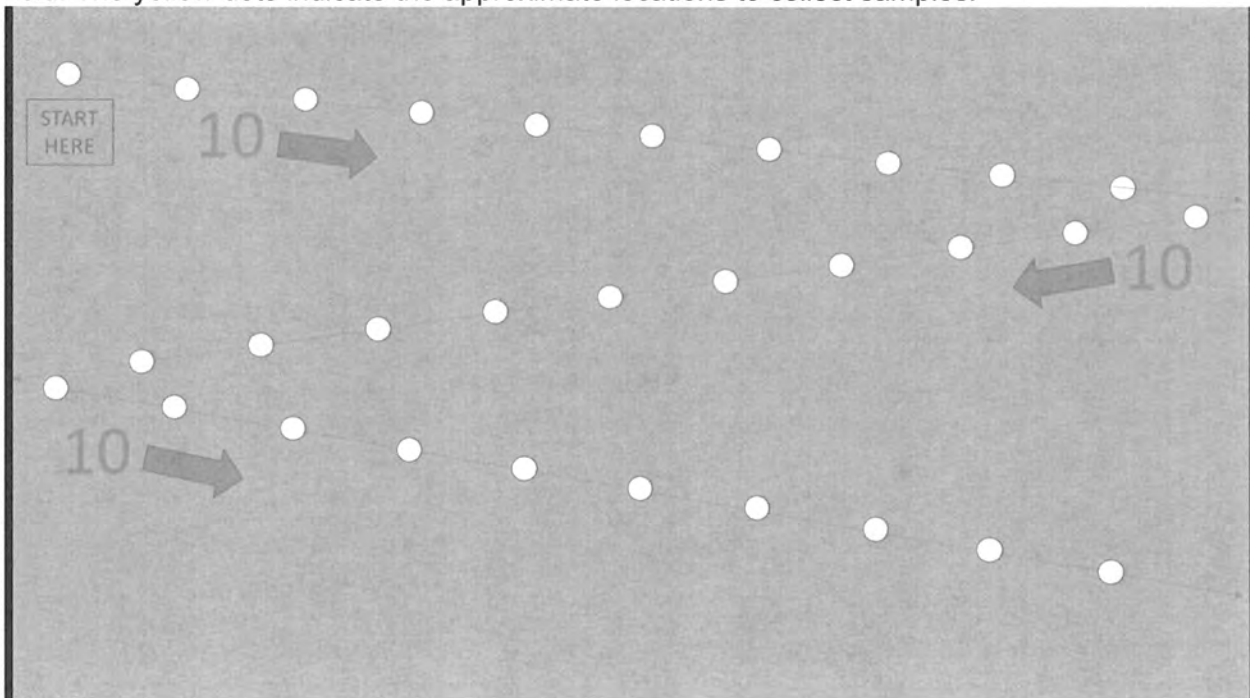


Table 1. Hypergeometric Table

Total number of plants:	Randomly select this number of plants to sample:	Total number of plants:	Randomly select this number of plants to sample:
1-13	Sample all plants	39-44	21
14-15	13	45-53	22
16-17	14	54-65	23
18-19	15	66-82	24
20-22	16	83-108	25
23-25	17	109-157	26
26-28	18	158-271	27
29-32	19	272-885	28
33-38	20	886-200,000	29

3. EFFECTIVE DATE

This policy is effective immediately and shall continue in effect until repealed, modified, or superseded.

EXHIBIT E

ARIZONA DEPARTMENT OF AGRICULTURE INDUSTRIAL HEMP PROGRAM

PERFORMANCE-BASED SAMPLING PROTOCOL ADDENDUM

The Arizona Department of Agriculture's ("Department") Hemp Sampling Protocol (SP 19-01) adopts USDA performance sampling approach where the method of sampling ensures a confidence level of 95 percent that no more than one percent of the plants in each lot would exceed the acceptable hemp THC level, and ensures that a representative sample is collected that represents a homogeneous composition of the lot. The performance-based sampling methods in this protocol meet the following criteria as described in 7 CFR §990.3 (a)(2)(iii)(A) and (B). These are:

- A. The alternative sampling methods described in this protocol are included as an addendum to the State's Hemp Plan (Exhibit A) and will be reviewed and approved by USDA prior to implementation.
- B. The alternative methods will ensure, at a confidence level of 95 percent, that the cannabis plants produced under the guidelines of an alternative method will not test above the acceptable hemp THC level. The alternative methods in this protocol include the following:
 1. **Production for Industrial Hemp Research.** A research institution or producer who is approved for a hemp research fee exemption, where the hemp crops produced will not enter the stream of commerce pursuant to A.A.C. R3-4-1004, and has signed a hemp research licensing agreement that includes the provisions and expectations of the producer that has been approved for a hemp research fee exemption pursuant to A.A.C. R3-4-1003;
 2. **Production of Hemp Microgreens or Production of Hemp Greens.** A producer who grows immature plants including microgreens and greens, who will not have flowering plants, and where the Hemp Sampling Protocol (SP 19-01) would not be applicable (A.A.C. R3-4-1008(C)); and
 3. **Hemp Transplant and Mother Plant Production.** A licensed hemp nursery producer who grows immature plants for transplanting purposes pursuant to R3-4-1006(D), who will not have mature flowering plants, or grows hemp mother plants to produce hemp cloning material, and where the Hemp Sampling Protocol (SP 19-01) would not be applicable (A.A.C. R3-4-1008(C)).

Performance-based sampling does not prevent the state from conducting random records inspections or sampling and testing of any hemp crops from licensed producers of the hemp program pursuant to A.A.C. R3-4-1011. The Department reserves the right to conduct a records inspection, sample, and test any hemp lot at any time to ensure compliance with the acceptable hemp THC level. Based on testing data for a period of two years, the Department will reassess all performance based sampling.

Performance based sampling will include different sampling frequencies and requirements for the following categories of hemp producers:

A. Production for Industrial Hemp Research

1. Eligibility for an alternative sampling method for research purposes. A hemp producer or research institution must have completed the requirements under A.A.C. R3-4-1004, provide the information required in A.A.C. R3-4-1003 [7 CFR 990.3(a)(1)], and sign a licensing agreement (A.A.C. R3-4-1003(E)) that includes the acknowledgment that a hemp producer or research institution will:
 - a. Ensure hemp produced under the license does not enter the stream of commerce as indicated in R3-4-1004(D)(2); and
 - b. All required forms and reports will be submitted as required in A.A.C. R3-4-1011.
2. Once a research institution is granted authorization to comply with an alternative sampling method, the Department will allow the self-reporting of results of sampling and testing under the following conditions as required under A.A.C. R3-4-1004, R3-4-1010, and R3-4-1011:
 - a. Results regarding research are shared with the public or published on the research institution's website;
 - b. The research producer provides the Department with the scope and standard operating procedures for production of hemp;
 - c. The research producer provides the Department with a disposal plan for all hemp produced including photographic evidence for verification;
 - d. The research producer allows the the Department to inspect or audit the above documentation and testing results upon request; and
 - e. Any non-compliant lots of hemp produced by a research institution shall be disposed of and reported to the department.
3. Research institutions are exempt from pre-harvest sampling of hemp crops when they comply with (1.) and (2.) listed above.
4. An exception granted under these conditions does not exempt a research producer from following all reporting and notification requirements (R3-4-1011).
5. The Department reserves the right to conduct a records inspection, sample, and test any hemp lot at any time to determine hemp THC levels (R3-4-1008).
6. Research institutions shall only be assessed a negligent violation if the THC content of a sample collected by the Department exceeds 1.0% total THC (R3-4-1012(A)(3)).

B. Production of Hemp Microgreens

Hemp Microgreens (definition): Immature hemp seedlings for human consumption that are cut-off above the soil or substrate line and harvested prior to flowering and not more than 14 days after germination. Hemp microgreens are typically between two (2) and three (3) inches in height, but not taller than five (5) inches.



1. Due to extremely low levels of cannabinoids in the very immature plants, the sampling and testing of every harvest lot is impractical and unnecessary.

2. With the short nature of producing hemp microgreens, a grower must indicate to the Department when filing a Planting Report as required by A.A.C. R3-4-1011, the the purpose of the planting is to produce hemp microgreens. An Intent to Harvest Notification (A.A.C. R3-4-1011) must be filed at the time a planting notice if filed so any necessary performance-based compliance activities can be scheduled A.A.C. R3-4-1008.
3. The Department may grant an exception to sampling under the Department's Hemp Sampling Protocol (SP 19-01) and A.A.C. R3-4-1008(C) if the Department is notified as indicated in (1.) and (2.) above.
4. An alternative compliance and sampling protocol under this exception will include:
 - a. A producer shall provide documentation to the Department, prior to planting, that demonstrates the seeds that are used to produce a hemp microgreen crop originated from a hemp variety that meets the definition of hemp by having been produced under compliance by a licensed hemp producer under a state, tribal, or federal authorized program, or from a foreign supplier that meets USDA import requirements (R3-4-1006);
 - b. Visual verification by the Department that hemp microgreen crops are being harvested within 14 days of planting and the crops do not contain flowering material (A.A.C. R3-4-1008).
5. Any hemp microgreen crop that produces any floral material, is taller than five (5) inches, or has not been harvested within 14 days of planting must be either sampled and tested pursuant to A.A.C. R3-4-1008 and SP19-01, or disposed of according to A.A.C. R3-4-1013(F).
6. An exception granted under these conditions does not exempt a producer from following all reporting and notification requirements (R3-4-1011).
7. The Department reserves the right to conduct a records inspection, sample, and test any hemp lot at any time to determine hemp THC levels (A.A.C. R3-4-1008).
8. The Department's policy on the performance based sampling in this section is found in SP21-02.

C. Production of Hemp Greens

Hemp Greens (definition): hemp leaves from immature plants germinated from seed and the plants are no more than ten (10) inches tall and are not flowering.



1. Due to extremely low levels of cannabinoids in the very immature plants, the sampling and testing of every harvest lot is impractical and unnecessary.
2. With the short nature of producing hemp greens, a grower must indicate to the Department when filing a Planting Report as required by A.A.C. R3-4-1011, the the purpose of the planting is to produce hemp greens. An Intent to Harvest Notification (R3-4-1008) must be filed at the time a planting notice if filed so any necessary compliance inspection activities can be scheduled A.A.C. R3-4-1008.
3. The Department may grant an exception to sampling under the Department's Hemp Sampling Protocol (SP 19-01) and A.A.C. R3-4-1008(C) if the Department is notified as indicated in (1.) and (2.) above.
4. An alternative compliance and sampling protocol under this exception will include:

- a. A producer shall provide documentation to the Department, prior to planting, that demonstrates the seeds that are used to produce a hemp greens crop originated from a hemp variety that meets the definition of hemp by having been produced under compliance by a licensed hemp producer under a state, tribal, or federal authorized program, or from a foreign supplier that meets USDA import requirements (R3-4-1006);
 - b. Visual verification by the Department that hemp greens crops are being harvested at no more than ten inches in height, and the crops do not contain flowering material.
5. Any hemp greens crop that produces any floral material or is taller than ten (10) inches must be either be sampled and tested pursuant to A.A.C. R3-4-1008 and SP19-01, or disposed of according to A.A.C. R3-4-1013(F).
 6. An exception granted under these conditions does not exempt a producer from following all reporting and notification requirements (R3-4-1011).
 7. The Department reserves the right to conduct a records inspection, sample, and test any hemp lot at any time to determine hemp THC levels (A.A.C. R3-4-1008).
 8. The Department's policy on the performance based sampling in this section is found in SP 21-02.

D. Hemp Transplant and Mother Plant Production

Hemp Transplants (definition): hemp seedlings, rooted cuttings, immature plants produced from tissue culture, or other means of reproduction, which are not harvested but transplanted into a large container or field to mature for harvest.



Hemp Mother Plants (definition): Immature cannabis plants with a THC concentration of 0.3% or less that are used for cloning purposes.

The movement of transplants from their original location to the crop production location is not considered a harvest.

Hemp mother plants may be sampled any time, but may be exempt from future sampling if those results are 0.3% THC or less. Mother plants that are intended to be harvested or leave the registered growing area must be sampled and determined compliant with an allowable THC concentration.




1. A hemp producer that intends to produce hemp transplants or mother plants must obtain a hemp nursery license issued by the Department prior to planting a crop for that purpose (A.A.C. R3-4-1003).
2. Hemp producers that have obtained a hemp nursery license from the Department to produce hemp transplants may be exempted from standard sampling under A.A.C. R3-4-1008 and the Department's Hemp Sampling Protocol (SP19-01). Due to extremely low levels of cannabinoids

in the very immature plants, the sampling and testing of every harvest lot is impractical and unnecessary.

3. Hemp producers that have obtained a hemp nursery license to produce hemp mother plants may be exempted from standard sampling under A.A.C. R3-4-1008 and the Department's Hemp Sampling Protocol (SP19-01), but must have THC concentration compliance determined prior to using the mother plants for propagative purposes.
4. Compliance oversight under this exemption will include:
 - a. Verification that the producer is able to provide documentation to the Department that demonstrates the seeds that are used to produce transplants of mother plants originated from a hemp variety that meets the definition of hemp by having been produced under compliance by a licensed hemp producer under a state authorized program, or from a foreign supplier that meets USDA import requirements (A.A.C. R3-4-1006).
 - b. Visual verification by the Department that hemp transplants are not produced to a mature flowering state (R3-4-1008).
 - c. Verification that any hemp mother plants are sampled and determined compliant with THC concentration levels prior to use for cloning.
5. Any hemp seedling or transplant crop that produces any floral material must be either be sampled and tested pursuant to A.A.C. R3-4-1008 and SP19-01, or disposed of according to A.A.C. R3-4-1013(F).
4. An exception granted under these conditions does not exempt a producer from following all reporting and notification requirements (R3-4-1011).
5. The Department reserves the right to conduct a records inspection, sample, and test any hemp lot at any time to determine hemp THC levels (A.A.C. R3-4-1008).
6. A hemp producer that is authorized to produce hemp transplants may request a certificate from the Department for the interstate shipment of specified harvest lots of hemp transplants that meet the performance based protocol in section (E) (A.A.C. R3-4-1006).
7. The Department's policy on the performance based sampling in this section is found in SP21-02.

EXHIBIT F

ARIZONA DEPARTMENT OF AGRICULTURE <u>SUBSTANTIVE POLICY STATEMENT</u> ENVIRONMENTAL AND PLANT SERVICES DIVISION Industrial Hemp Performance Based Sampling	<u>DIVISION/</u> <u>PROGRAM</u> EPSD
	<u>SP 21-02</u>
	 SIGNATURE
	10-06-21 DATE

This substantive policy statement is advisory only. A substantive policy statement does not include internal procedural documents that only affect the internal procedures of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona administrative procedure act. If you believe that this substantive policy statement does impose additional requirements or penalties on regulated parties you may petition the agency under section 41-1033, Arizona Revised Statutes, for a review of the statement.

1. BACKGROUND

The Environmental and Plant Services Division ("EPSD") provides regulatory oversight for the production of industrial hemp ("hemp") in the state. During inspections of hemp crops or plants, an inspector may collect and test a representative sample to determine compliance for total Delta-9 Tetrahydrocannabinol (THC) concentration pursuant to A.R.S. § 3-316, A.A.C. R3-4-1008, and as described under Substantive Policy 19-01 (SP19-01) ("Compliance Testing").

This substantive policy statement outlines when EPSD will not enforce the Compliance Testing requirements on hemp transplants and hemp mother plants, in conformance with the rules and guidelines for "Performance-Based Sampling" published by the US Department of Agriculture - Agricultural Marketing Service ("USDA-AMS") under 7 CFR §990.3 (a) (2) (iii)(A) and (B).

Performance-based sampling does not prevent the state from conducting random records inspections or sampling and testing of any hemp crops from licensed producers of the hemp program pursuant to A.A.C. R3-4-1011. The Department reserves the right to conduct a records inspection, sample, and test any hemp lot at any time to ensure compliance with the acceptable hemp THC level. Based on testing data for a period of two years, the Department will reassess all performance based sampling.

2. POLICY

To comply with the requirements under A.R.S. § 3-316 and A.A.C. R3-4-1008, the Department shall ensure the following applies for each of the crops described:

A. Hemp Microgreens:

1. Hemp microgreens are described as immature hemp seedlings for human consumption that are cut-off above the soil or substrate line and harvested prior to flowering and not more than 14 days after germination. Hemp microgreens are typically between two (2)

and three (3) inches in height, but not taller than five (5) inches.

2. When the Department receives a planting notice from a grower that is intending to plant a crop of hemp microgreens, the Department will request a notice of intent to harvest so the Department does not proceed with standard sampling and testing protocols under A.A.C. R3-4-1008 and SP19-01.
3. The Department will verify that the producer:
 - a. Obtained and planted only authorized hemp seed pursuant to A.A.C. R3-4-1006;
 - b. Harvested the crop no more than fourteen days after planting;
 - c. Only grew hemp plants that were no more than five inches in height; and
 - d. Did not grow hemp plants to a flowering state.
4. A licensed grower that produces a crop that does not meet the criteria for an exception to R3-4-1008 and SP19-10 shall either:
 - a. Follow the compliance, sampling and testing requirement pursuant to A.A.C. R3-4-1008 and SP19-01; or
 - b. Dispose of the crop in a manner as described in A.A.C. R3-4-1013(F).

B. Hemp Greens:

1. Hemp greens are described as hemp leaves from immature plants germinated from seed and the plants are no more than ten (10) inches tall and are not flowering.
2. Producers of hemp greens must provide the Department with a planting notice and intent to harvest at the time of planting. The notice must indicate that the crop is planted to produce a hemp greens crop so the Department does not proceed with standard sampling and testing protocols under A.A.C. R3-4-1008 and SP19-01.
3. The Department will verify that the producer:
 - a. Obtained and planted only authorized hemp seed pursuant to A.A.C. R3-4-1006;
 - b. Harvested the crop prior to the plants being ten inches in height;
 - c. Did not produce a flowering crop.
4. A grower that produces a crop that does not meet the criteria for an exception to A.A.C. R3-4-1008 and SP19-10 shall either:
 - a. Follow the compliance, sampling and testing requirement pursuant to A.A.C. R3-4-1008 and SP19-01; or
 - b. Dispose of the crop in a manner as described in A.A.C. R3-4-1013(F).

C. Hemp Transplants:


1. Hemp transplants are described as hemp seedlings, rooted cuttings, immature plants produced from tissue culture, or other means of reproduction, which are not harvested but transplanted into a large container or field to mature for harvest.
2. The movement of transplants from their original location to the crop production location is not considered a harvest.
3. A licensed hemp nursery or grower must submit a planting report when producing hemp transplant material pursuant to A.A.C. R3-4-1011.
4. When the Department receives a planting notice from a licensed hemp nursery that is intending to plant a crop of hemp transplants, the Department will not proceed with standard sampling and testing protocols under A.A.C. R3-4-1008 and SP19-01.

5. The Department will verify that the hemp nursery producer:
 - a. Obtained and planted only authorized hemp seed pursuant to A.A.C. R3-4-1006;
 - b. Transported the transplants by the date indicated on the planting notice pursuant to A.A.C. R3-4-1011; and
 - d. Did not grow hemp plants to a flowering state.
6. A licensed hemp nursery that produces a crop that does not meet the criteria for an exception to A.A.C. R3-4-1008 and SP19-10 shall either:
 - a. Follow the compliance, sampling and testing requirement pursuant to A.A.C. R3-4-1008 and SP19-01; or
 - b. Dispose of the crop in a manner as described in A.A.C. R3-4-1013(F).

D. Hemp Mother Plants:

1. Hemp mother plants are described as immature cannabis plants with a THC concentration of 0.3% or less that are used for cloning purposes.
2. Hemp mother plants may be sampled any time, but may be exempt from future sampling if those results are 0.3% THC or less.
3. Plantings of hemp mother plants must be reported to the Department pursuant to A.A.C. R3-4-1011.
4. Hemp mother plants that are found compliant through sampling and testing are not required to be harvested within 30 days after sampling notwithstanding A.A.C. R3-4-1008(D).
5. Hemp mother plants that are found non-compliant through sampling and testing are not eligible to be used as a mother plant; and the producer will be responsible for meeting the provisions for non-compliant crops pursuant to A.A.C. R3-4-1008(D)(2).
6. Mother plants that are intended to be harvested or leave the registered growing area must be sampled and tested in accordance with A.A.C. R3-4-1008 and SP 19-01 to ensure compliance with THC concentration.
7. A licensee that produces a hemp mother plant that does not meet the criteria for an exception to R3-4-1008 and SP19-10 shall either:
 - a. Follow the compliance, sampling and testing requirement under R3-4-1008 and SP19-01; or
 - b. Dispose of the crop in a manner as described in A.A.C. R3-4-1013(F).

EXHIBIT G

<p>ARIZONA DEPARTMENT OF AGRICULTURE</p> <p><u>INTERNAL POLICY</u></p> <p>ENVIRONMENTAL AND PLANT SERVICES DIVISION</p> <p>Industrial Hemp Program Data Sharing With the U.S. Department of Agriculture - Agriculture and Marketing Service (USDA – AMS)</p>	<p>DIVISION/ PROGRAM EPSD</p>
	<p>Internal Policy 21-01</p>
	<p></p>
	<p>SIGNATURE</p>
	<p>10/06/21</p>
	<p>DATE</p>

In order for the production of hemp in Arizona to comply with USDA requirements the Environmental and Plant Services Division ("EPSD") must provide specific real-time information regarding producers and annual report to the USDA-AMS as specified in 7 CFR § 990.7.

A.A.C. R3-4-1003 defines the criteria required when applying and registering hemp production areas. A.A.C. R3-4-1011 requires producers to report other crop specific information. This policy describes the Department's current approach to sharing data with USDA-AMS for State Hemp Plan compliance.

A . Hemp producer report. To comply with a procedure to maintain and report to USDA status of licensed producers (and any changes) and license or authorization numbers of producers the Department will provide to USDA on the first day of each month a completed form AMS-23 (see Appendix A, attached and incorporated here to.) https://www.ams.usda.gov/sites/default/files/media/StateandTribalHempProducerReportAMS_23.pdf, which will include:

1. Contact information for each licensed hemp producer covered under the plan including name, address, telephone number, and email address.
2. If the producer is a business entity, the information must include the full name of the business; address of the principal business location; full name and title of the key participants; an email address if available; and EIN number of the business entity.
3. Any status changes.
4. A legal description for land where hemp is produced in the state.

- B. Disposal Report. For all non-compliant crops disposed, the Department will provide disposal information of all non-compliant crops disposed of using the form AMS-24, Hemp Disposal Report (see Appendix B, attached and incorporated here to).
https://www.ams.usda.gov/sites/default/files/media/StateandTribalHempDisposalReportAMS_24.pdf

- C. Annual Report. By December 15th of each year, the Department will provide USDA-AMS with a completed annual report form AMS-25 to report the number of acres of hemp planted, disposed and harvested (see Appendix C, attached and incorporated here to).
https://www.ams.usda.gov/sites/default/files/media/StateandTribalHempAnnualReportAMS_25.pdf



UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
USDA DOMESTIC HEMP PRODUCTION PROGRAM
STATE AND TRIBAL HEMP PRODUCER REPORT

Reporting Period: _____ to _____

State or Tribe Name: _____ Date Submitted: _____

The USDA Domestic Hemp Production Program requires states and tribes with approved plans to submit contact information and the status of the license for each producer under their plan.

Instructions:

This information must be submitted to the U.S. Department of Agriculture (USDA) on the 1st day of each month. If this date falls on a holiday or weekend, the reports are due the next business day. Each monthly report is for new producers and changes to existing producer information only.

Producers: Report all required information for each producer licensed under the Plan.

Changes to Producer Information: Report any changes to reported information for producers that were included in previous reports. These changes include but are not limited to; a change of license status, an address change, a change in the key participant of a business or an updated phone number.

This report should be submitted to USDA using a digital format compatible with USDA's information sharing systems, whenever possible. If this is not possible, please submit report to:

By Mail:	Or via Email at:	Or via Fax at:
USDA/AMS/Specialty Crops Program	FarmBill.Hemp@usda.gov	(202) 720-8938
Hemp Branch		
470 L'Enfant Plaza S.W.		
Post Office Box 23192		
Washington, D.C. 20026		

The following statements are made in accordance with the Privacy Act of 1974 (5 U.S.C. § 552a) and the Paperwork Reduction Act of 1995. The authority for requesting this information to be supplied on this form is the 7 CFR Part 990 Domestic Hemp Program (Program). The purpose of collecting this information is for USDA to administer the Program and the information provided on this form will be used to monitor Program participants. Failure to provide the information requested on this form may result in ineligibility to participate in the Program.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is OMB 0581-NEW. The time required to complete this information collection is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Employees Submitting Criminal History Record Report by Entity:

Individual or Entity Name	Name of Employee	Title of Employee	Employee Email Address (if available)

(Use additional pages if needed)

Document any changes to existing producer information in the space below:

	Individual or Entity Name	Name of Licensee(s)	License Identifier or other Authorization Identifier	Business Address of Producer(s)	Telephone #	Email Address (if available)	Status of License (<i>active, revoked, suspended</i>)
Current Information							
New Information							
Current Information							
New Information							
Current Information							
New Information							
Current Information							
New Information							

(Use additional pages if needed)

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.



UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
USDA DOMESTIC HEMP PRODUCTION PROGRAM
STATE AND TRIBAL HEMP DISPOSAL REPORT

If a producer has produced cannabis that tested above the acceptable delta-9 tetrahydrocannabinol (THC) level, the material must be disposed of in accordance with the Controlled Substances Act (CSA) and U.S. Drug Enforcement Administration (DEA) regulations because such material constitutes marijuana, a schedule I controlled substance under the CSA. Consequently, the material must be collected for destruction by a person authorized under the CSA to handle marijuana, such as a DEA-registered reverse distributor, or a duly authorized Federal, State, or local law enforcement officer. This form is used to document the disposal process.

States and Tribes must submit this form and each corresponding disposition certificate to the U.S. Department of Agriculture (USDA) on the 1st day of each month. If this date falls on a holiday or weekend, the report is due the next business day. If no disposals occurred during the reporting cycle, check the box indicating there were no changes during the current reporting cycle. This report should be submitted to USDA using a digital format compatible with USDA's information sharing systems, whenever possible. If this is not possible, please submit report to:

By Mail:
USDA/AMS/Specialty Crops Program
Hemp Branch
470 L'Enfant Plaza S.W.
Post Office Box 23192
Washington, D.C. 20026

Or via Email at:
FarmBill.Hemp@usda.gov

Or via Fax at:
(202) 720-8938

The following statements are made in accordance with the Privacy Act of 1974 (5 U.S.C. § 552a) and the Paperwork Reduction Act of 1995. The authority for requesting this information to be supplied on this form is the 7 CFR Part 990 Domestic Hemp Program (Program). The purpose of collecting this information is for USDA to administer the Program and the information provided on this form will be used to monitor Program participants. Failure to provide the information requested on this form may result in ineligibility to participate in the Program.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is OMB 0581-NEW. The time required to complete this information collection is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

Reporting Period: _____ to _____

State or Tribe Plan: _____ Date Submitted: _____

List all licensees and locations where a disposal took place during this reporting cycle.

Producer or Entity Name	Producer/Entity Address	License or Authorization identifier	Lot #	Location Type (Greenhouse, Indoor, Field)	Geospatial Location (or other valid land descriptor)	Total Acreage	Date of Disposal	Disposal Agent Name and Organization

(Add additional pages if needed)

OR

No disposals during this reporting cycle



UNITED STATES DEPARTMENT OF AGRICULTURE
 AGRICULTURAL MARKETING SERVICE
 USDA DOMESTIC HEMP PRODUCTION PROGRAM
STATE AND TRIBAL HEMP ANNUAL REPORT

States and Tribes must submit this form to the U.S. Department of Agriculture (USDA) by December 15th of each year.

This report should be submitted to USDA using a digital format compatible with USDA’s information sharing systems, whenever possible. If this is not possible, please submit report to:

By Mail:	Or via Email at:	Or via Fax at:
USDA/AMS/Specialty Crops Program	FarmBill.Hemp@usda.gov	(202) 720-8938
Hemp Branch		
470 L’Enfant Plaza S.W.		
Post Office Box 23192		
Washington, D.C. 20026		

State or Tribe Plan: _____ **Date Submitted:** _____

Total Planted Acreage	Total Acreage Disposed	Total Harvested Acreage

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is OMB 0581-NEW. The time required to complete this information collection is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA’s TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

**ARIZONA DEPARTMENT OF AGRICULTURE
ENVIRONMENTAL AND PLANT SERVICES DIVISION
INDUSTRIAL HEMP PROGRAM**

1688 W. ADAMS ST., PHOENIX, AZ 85007 ~ 602-542-0955 or azhemp@azda.gov

**INDUSTRIAL HEMP PROGRAM
LICENSING AGREEMENT CALENDAR YEAR 2021**

The purpose of this Licensing Agreement is to acknowledge the responsibilities of the licensee holding an industrial hemp license as authorized by A.R.S. § 3-306 and A.A.C. R3-4-1003(E).

The applicant agrees to:

- Provide access, for authorized Department inspectors, at any time, to all hemp and hemp seed, planted or stored, and all records to determine compliance with this article and any state or federal law, rule or order regulating cannabis as an agricultural crop.
- Maintain all records, as stated in section A.A.C. Title 3, Chapter 4, Article 10, R2-4-1008.
- Pay all required fees indicated in A.A.C. Title 3, Chapter 4, Article 10, Table 1.
- Comply with all pesticide use restrictions.
- Comply with all seed laws of the state.
- Comply with Federal crop reporting requirements to USDA-AMS. 7 CFR 990
<https://www.ams.usda.gov/rules-regulations/hemp/information-producers>
- Defend, indemnify, and hold harmless the Department from liability for the destruction of any crop or harvested plant in violation of this article. This indemnity shall not apply if the applicant is an agency, board, commission, or university of the State of Arizona.
- Be solely responsible for all financial or other losses.
- Be solely responsible for all land use restrictions, applicable city and county zoning, building, and fire codes and ordinances.
- Follow all regulatory, notification and reporting requirements of A.A.C. Title 3, Chapter 4, Article 10.

The applicant acknowledges:

- All information provided on the application, forms, maps and/or aerial photos have not altered since they were submitted to the Department.
- A license is valid during the calendar year it was issued. Licenses expire on December 31st.
- Renewal applications are due by December 15th to avoid any lapse in licensing period.
- All licensing fees paid are non-refundable.

Name

Company

Applicant's Signature

Today's Date

EXHIBIT I

41-1758.07. Level I fingerprint clearance cards; definitions

A. On receiving the state and federal criminal history record of a person who is required to be fingerprinted pursuant to this section, the fingerprinting division in the department of public safety shall compare the record with the list of criminal offenses that preclude the person from receiving a level I fingerprint clearance card. If the person's criminal history record does not contain any of the offenses listed in subsections B and C of this section, the fingerprinting division shall issue the person a level I fingerprint clearance card.

B. A person who is subject to registration as a sex offender in this state or any other jurisdiction or who is awaiting trial on or who has been convicted of committing or attempting, soliciting, facilitating or conspiring to commit one or more of the following offenses in this state or the same or similar offenses in another state or jurisdiction is precluded from receiving a level I fingerprint clearance card:

1. Sexual abuse of a vulnerable adult.
2. Incest.
3. Homicide, including first or second degree murder, manslaughter and negligent homicide.
4. Sexual assault.
5. Sexual exploitation of a minor.
6. Sexual exploitation of a vulnerable adult.
7. Commercial sexual exploitation of a minor.
8. Commercial sexual exploitation of a vulnerable adult.
9. Child sex trafficking as prescribed in section 13-3212.
10. Child abuse.
11. Felony child neglect.
12. Abuse of a vulnerable adult.
13. Sexual conduct with a minor.
14. Molestation of a child.
15. Molestation of a vulnerable adult.
16. Dangerous crimes against children as defined in section 13-705.
17. Exploitation of minors involving drug offenses.
18. Taking a child for the purpose of prostitution as prescribed in section 13-3206.
19. Neglect or abuse of a vulnerable adult.
20. Sex trafficking.
21. Sexual abuse.
22. Production, publication, sale, possession and presentation of obscene items as prescribed in section 13-3502.

23. Furnishing harmful items to minors as prescribed in section 13-3506.
24. Furnishing harmful items to minors by internet activity as prescribed in section 13-3506.01.
25. Obscene or indecent telephone communications to minors for commercial purposes as prescribed in section 13-3512.
26. Luring a minor for sexual exploitation.
27. Enticement of persons for purposes of prostitution.
28. Procurement by false pretenses of person for purposes of prostitution.
29. Procuring or placing persons in a house of prostitution.
30. Receiving earnings of a prostitute.
31. Causing one's spouse to become a prostitute.
32. Detention of persons in a house of prostitution for debt.
33. Keeping or residing in a house of prostitution or employment in prostitution.
34. Pandering.
35. Transporting persons for the purpose of prostitution, polygamy and concubinage.
36. Portraying adult as a minor as prescribed in section 13-3555.
37. Admitting minors to public displays of sexual conduct as prescribed in section 13-3558.
38. Any felony offense involving contributing to the delinquency of a minor.
39. Unlawful sale or purchase of children.
40. Child bigamy.
41. Any felony offense involving domestic violence as defined in section 13-3601 except for a felony offense only involving criminal damage in an amount of more than two hundred fifty dollars but less than one thousand dollars if the offense was committed before June 29, 2009.
42. Any felony offense in violation of title 13, chapter 12 if committed within five years before the date of applying for a level I fingerprint clearance card.
43. Felony drug or alcohol related offenses if committed within five years before the date of applying for a level I fingerprint clearance card.
44. Felony indecent exposure.
45. Felony public sexual indecency.
46. Terrorism.
47. Any offense involving a violent crime as defined in section 13-901.03.
48. Trafficking of persons for forced labor or services.

C. A person who is awaiting trial on or who has been convicted of committing or attempting, soliciting, facilitating or conspiring to commit one or more of the following offenses in this state or the same or similar offenses in another state or jurisdiction is precluded from receiving a level I fingerprint clearance card, except that the person may petition the board of fingerprinting for a good cause exception pursuant to section 41-619.55:

1. Any misdemeanor offense in violation of title 13, chapter 12.
2. Misdemeanor indecent exposure.
3. Misdemeanor public sexual indecency.
4. Aggravated criminal damage.
5. Theft.
6. Theft by extortion.
7. Shoplifting.
8. Forgery.
9. Criminal possession of a forgery device.
10. Obtaining a signature by deception.
11. Criminal impersonation.
12. Theft of a credit card or obtaining a credit card by fraudulent means.
13. Receipt of anything of value obtained by fraudulent use of a credit card.
14. Forgery of a credit card.
15. Fraudulent use of a credit card.
16. Possession of any machinery, plate or other contrivance or incomplete credit card.
17. False statement as to financial condition or identity to obtain a credit card.
18. Fraud by persons authorized to provide goods or services.
19. Credit card transaction record theft.
20. Misconduct involving weapons.
21. Misconduct involving explosives.
22. Depositing explosives.
23. Misconduct involving simulated explosive devices.
24. Concealed weapon violation.
25. Misdemeanor possession and misdemeanor sale of peyote.

26. Felony possession and felony sale of peyote if committed more than five years before the date of applying for a level I fingerprint clearance card.
27. Misdemeanor possession and misdemeanor sale of a vapor-releasing substance containing a toxic substance.
28. Felony possession and felony sale of a vapor-releasing substance containing a toxic substance if committed more than five years before the date of applying for a level I fingerprint clearance card.
29. Misdemeanor sale of precursor chemicals.
30. Felony sale of precursor chemicals if committed more than five years before the date of applying for a level I fingerprint clearance card.
31. Misdemeanor possession, misdemeanor use or misdemeanor sale of marijuana, dangerous drugs or narcotic drugs.
32. Felony possession, felony use or felony sale of marijuana, dangerous drugs or narcotic drugs if committed more than five years before the date of applying for a level I fingerprint clearance card.
33. Misdemeanor manufacture or misdemeanor distribution of an imitation controlled substance.
34. Felony manufacture or felony distribution of an imitation controlled substance if committed more than five years before the date of applying for a level I fingerprint clearance card.
35. Misdemeanor manufacture or misdemeanor distribution of an imitation prescription-only drug.
36. Felony manufacture or felony distribution of an imitation prescription-only drug if committed more than five years before the date of applying for a level I fingerprint clearance card.
37. Misdemeanor manufacture or misdemeanor distribution of an imitation over-the-counter drug.
38. Felony manufacture or felony distribution of an imitation over-the-counter drug if committed more than five years before the date of applying for a level I fingerprint clearance card.
39. Misdemeanor possession or misdemeanor possession with intent to use an imitation controlled substance.
40. Felony possession or felony possession with intent to use an imitation controlled substance if committed more than five years before the date of applying for a level I fingerprint clearance card.
41. Misdemeanor possession or misdemeanor possession with intent to use an imitation prescription-only drug.
42. Felony possession or felony possession with intent to use an imitation prescription-only drug if committed more than five years before the date of applying for a level I fingerprint clearance card.
43. Misdemeanor possession or misdemeanor possession with intent to use an imitation over-the-counter drug.
44. Felony possession or felony possession with intent to use an imitation over-the-counter drug if committed more than five years before the date of applying for a level I fingerprint clearance card.
45. Misdemeanor manufacture of certain substances and drugs by certain means.
46. Felony manufacture of certain substances and drugs by certain means if committed more than five years before the date of applying for a level I fingerprint clearance card.
47. Adding poison or other harmful substance to food, drink or medicine.

48. A criminal offense involving criminal trespass under title 13, chapter 15.
 49. A criminal offense involving burglary under title 13, chapter 15.
 50. A criminal offense under title 13, chapter 23, except terrorism.
 51. Misdemeanor offenses involving child neglect.
 52. Misdemeanor offenses involving contributing to the delinquency of a minor.
 53. Misdemeanor offenses involving domestic violence as defined in section 13-3601.
 54. Felony offenses involving domestic violence if the offense only involved criminal damage in an amount of more than two hundred fifty dollars but less than one thousand dollars and the offense was committed before June 29, 2009.
 55. Arson.
 56. Felony offenses involving sale, distribution or transportation of, offer to sell, transport or distribute or conspiracy to sell, transport or distribute marijuana, dangerous drugs or narcotic drugs if committed more than five years before the date of applying for a level I fingerprint clearance card.
 57. Criminal damage.
 58. Misappropriation of charter school monies as prescribed in section 13-1818.
 59. Taking identity of another person or entity.
 60. Aggravated taking identity of another person or entity.
 61. Trafficking in the identity of another person or entity.
 62. Cruelty to animals.
 63. Prostitution, as prescribed in section 13-3214.
 64. Sale or distribution of material harmful to minors through vending machines as prescribed in section 13-3513.
 65. Welfare fraud.
 66. Any felony offense in violation of title 13, chapter 12 if committed more than five years before the date of applying for a level I fingerprint clearance card.
 67. Kidnapping.
 68. Robbery, aggravated robbery or armed robbery.
- D. A person who is awaiting trial on or who has been convicted of committing or attempting to commit a misdemeanor violation of section 28-1381, 28-1382 or 28-1383 in this state or the same or a similar offense in another state or jurisdiction within five years from the date of applying for a level I fingerprint clearance card is precluded from driving any vehicle to transport employees or clients of the employing agency as part of the person's employment. The division shall place a notation on the level I fingerprint clearance card that indicates this driving restriction. This subsection does not preclude a person from driving a vehicle alone as part of the person's employment.

E. Notwithstanding subsection C of this section, on receiving written notice from the board of fingerprinting that a good cause exception was granted pursuant to section 41-619.55, the fingerprinting division shall issue a level I fingerprint clearance card to the applicant.

F. If the fingerprinting division denies a person's application for a level I fingerprint clearance card pursuant to subsection C of this section and a good cause exception is requested pursuant to section 41-619.55, the fingerprinting division shall release, on request by the board of fingerprinting, the person's criminal history record to the board of fingerprinting.

G. A person shall be granted a level I fingerprint clearance card pursuant to this section if either of the following applies:

1. An agency granted a good cause exception before August 16, 1999 and no new precluding offense is identified. The fingerprint clearance card shall specify only the program that granted the good cause exception. On the request of the applicant, the agency that granted the prior good cause exception shall notify the fingerprinting division in writing of the date on which the prior good cause exception was granted, the date of the conviction and the name of the offense for which the good cause exception was granted.

2. The board granted a good cause exception and no new precluding offense is identified.

H. The licensee or contract provider shall assume the costs of fingerprint checks conducted pursuant to this section and may charge these costs to persons who are required to be fingerprinted.

I. A person who is under eighteen years of age or who is at least ninety-nine years of age is exempt from the level I fingerprint clearance card requirements of this section. At all times the person shall be under the direct visual supervision of personnel who have valid level I fingerprint clearance cards.

J. The fingerprinting division shall conduct periodic state criminal history records checks and may conduct federal criminal history records checks when authorized pursuant to federal law for the purpose of updating the clearance status of current level I fingerprint clearance cardholders pursuant to this section and may notify the board of fingerprinting and the agency of the results of the records check.

K. The fingerprinting division shall revoke a person's level I fingerprint clearance card on receipt of a written request for revocation from the board of fingerprinting pursuant to section 41-619.55.

L. If a person's criminal history record contains an offense listed in subsection B or C of this section and the final disposition is not recorded on the record, the division shall conduct research to obtain the disposition within thirty business days after receipt of the record. If the division cannot determine, within thirty business days after receipt of the person's state and federal criminal history record information, whether the person is awaiting trial on or has been convicted of committing or attempting, soliciting, facilitating or conspiring to commit any of the offenses listed in subsection B or C of this section in this state or the same or a similar offense in another state or jurisdiction, the division shall not issue a level I fingerprint clearance card to the person. If the division is unable to make the determination required by this section and does not issue a level I fingerprint clearance card to a person, the person may request a good cause exception pursuant to section 41-619.55.

M. If after conducting a state and federal criminal history records check the fingerprinting division determines that it is not authorized to issue a level I fingerprint clearance card to an applicant, the division shall notify the agency that the fingerprinting division is not authorized to issue a level I fingerprint clearance card. This notice shall include the criminal history information on which the denial was based. This criminal history information is subject to dissemination restrictions pursuant to section 41-1750 and Public Law 92-544.

N. The fingerprinting division is not liable for damages resulting from:

1. The issuance of a level I fingerprint clearance card to an applicant who is later found to have been ineligible to receive a level I fingerprint clearance card at the time the card was issued.

2. The denial of a level I fingerprint clearance card to an applicant who is later found to have been eligible to receive a level I fingerprint clearance card at the time issuance of the card was denied.

O. Notwithstanding any law to the contrary, an individual may apply for and receive a level I fingerprint clearance card pursuant to this section to satisfy a requirement that the person have a valid fingerprint clearance card issued pursuant to section 41-1758.03.

P. Notwithstanding any law to the contrary, except as prescribed pursuant to subsection Q of this section, an individual who receives a level I fingerprint clearance card pursuant to this section also satisfies a requirement that the individual have a valid fingerprint clearance card issued pursuant to section 41-1758.03.

Q. Unless a cardholder commits an offense listed in subsection B or C of this section after June 29, 2009, a fingerprint clearance card issued pursuant to section 41-1758.03 before June 29, 2009 and its renewals are valid for all requirements for a level I fingerprint clearance card except those relating to the requirements of section 8-105 or 8-509. A fingerprint clearance card issued before June 29, 2009 to meet the requirements of section 8-105 or 8-509 and its renewals are valid after June 29, 2009 to meet all requirements for a level I fingerprint clearance card, including the requirements of section 8-105 or 8-509, if the cardholder has been certified by the court to adopt or has been issued a foster home license before June 29, 2009.

R. The issuance of a level I fingerprint clearance card does not entitle a person to employment.


S. For the purposes of this section:

1. "Person" means a person who is fingerprinted pursuant to:

(a) Section 3-314, 8-105, 8-463, 8-509, 8-802, 17-215, 36-207, 36-594.01, 36-594.02, 36-882, 36-883.02, 36-897.01, 36-897.03, 41-619.52, 41-619.53, 41-1964, 41-1967.01, 41-1968, 41-1969 or 46-141.

(b) Subsection O of this section.

2. "Renewal" means the issuance of a fingerprint clearance card to an existing fingerprint clearance cardholder who applies before the person's existing fingerprint clearance card expires.

Procedure Title	Industrial Hemp Inspection SOP
Date SOP Reviewed/Updated	12/27/21
Implementation Date	01/01/2022
Approved by	
Responsible Person	Industrial Hemp Inspectors

Procedure:

Preparation:

1. View Google Calendar labeled "Industrial Hemp Calendar" to receive assignment from the Program Manager and verify correct time/date of appointment.
2. If travel to or from the sampling appointment will pass through a border patrol checkpoint, verify that the Program Manager has notified the proper authorities.
 - a. A listing of point of contacts is available on the network drive: G:\PSD\PSDHemp under the file labeled "Border Patrol Contacts.xls"
3. All efforts must be made to schedule and plan overnight stays in advance with approval from the Program Manager.
 - a. If, due to unforeseen circumstances, an overnight stay is needed without advance approval, immediately contact the Program Manager for approval.
 - b. Upon return to the duty post, complete a memo indicating the circumstances that prevented an advance approval of overnight travel.
4. Review RED field folder to ensure all needed documentation is included.
 - a. Field folders should consist of: Copies of any licenses, applicable maps, Planting reports, and Intent to harvest reports.
 - b. If available, folders should also include copies of any Inspection reports, crop destruction notifications, and Inspection rights.
 - c. If needed, copies of all relevant paperwork can be found on the network drive under: F:\Shared drives\PSD-Hemp\Applicants - Licenses.
5. Verify that the Intent to Harvest form corresponds with the information on the planting report (coordinates, harvest lot #, planting location, acreage, variety).
6. If time permits, pre-write chain of custody forms and AZDA sample seals.
7. Gather supplies. Ensure you have everything required for sampling:
 - Clean bypass pruners or shears
 - Isopropyl alcohol/Spray bottle
 - Paper towels
 - Clean 5 gallon buckets
 - Disposable nitrile gloves
 - Coveralls (if going to multiple sites or plants have little or no spacing)
 - Sharpie and blue ball point pen
 - Irrigation boots
 - Cooler with ice packs
 - Audio recorder
 - Handheld tally counter
 - Brown paper sample bags (3 per harvest lot)
 - Chain of custody triplicate form
 - Stapler
 - Inspection Rights triplicate form
 - Lysol Wipes
 - AZDA sample seals (3 per harvest lot)
 - Laptop computer
 - Printer
 - Handheld GPS unit
 - Tape gun

Upon arrival at inspection site:

1. Notify Program Manager of arrival (email, phone call, or text message).
2. During the first visit in a calendar year and updated annually, review *AZDA Notice and Acknowledgement of Inspection Rights* and the *Industrial Hemp Small Business Bill of Rights* with the point of contact.
 - a. The license holder is not required to sign: an authorized company representative may sign.
 - b. If the point of contact refuses to sign make a note on the Acknowledgement of Inspection Rights form, you may continue sampling. Make a side-note in the licensee's field folder that the Acknowledgement of Inspection Rights must be reviewed each visit if not signed earlier in the calendar year.

Recorded statements:

1. If an on-site representative wishes to make a statement or if a statement is required to ensure accuracy of the inspection record, ensure it is recorded using a department issued recording device.
2. Inspectors using a recording device must read and sign an acknowledgment form for the employee's file prior to recording any statements.
3. You must inform the other party of the intent to record the conversation for accuracy in reporting by making the following statement:
"We would like to inform you that this conversation will be recorded to ensure accuracy in inspection reporting, and for quality control of inspection activities. Please state your name and acknowledge that you have been informed that this conversation will be recorded"

Site Inspection:

1. Establish boundaries of each harvest lot, ensure acreage and location match information on the corresponding Intent to harvest form.
2. Estimate number of plants in harvest lot. Refer to Hypergeometric table (shown on page 3) to establish number of cuttings needed per composite sample.

Hypergeometric table.

Total number of plants:	Randomly select this number of plants to sample:	Total number of plants:	Randomly select this number of plants to sample:
1-13	Sample all plants	39-44	21
14-15	13	45-53	22
16-17	14	54-65	23
18-19	15	66-82	24
20-22	16	83-108	25
23-25	17	109-157	26
26-28	18	158-271	27
29-32	19	272-885	28
33-38	20	886-200,000	29

.Prepare materials:

1. Ensure Bypass pruners and collection bucket are cleaned with isopropyl alcohol and paper towels. Pruners and buckets **MUST** be cleaned with alcohol between each harvest lot.
2. If sampling in a field with very large plants, and/or small spacing between plants, consider using protective clothing.
3. If sampling fields of more than one license holder in one day, Protective clothing should be worn to prevent the spread of pests and disease.

4. Follow the Department Substantive Policy Statement SP19-01 for procedures on the sampling requirements.

Considerations in sample collection:

Each floral cutting should be taken from the dominant floral inflorescence. If there is no single dominant inflorescence, select one of the largest inflorescences. Each floral cutting should be roughly 6-8" in length. When taking a floral cutting, it is advised, when possible, to make the cut at the internode, so as not to damage other remaining floral material. Below is an example of internode locations on a cannabis inflorescence.



After the initial internode cut is made, use the bypass shears to cut the single floral cutting into multiples by cutting through each node. This will create ~ 4 more cuttings per node and allows for a more homogenized sample. Example below.



Repeat these steps until the representative number of cuttings has been taken for the sample as indicated in SP19-01.

Sample container:

1. Fold paper bag and staple twice.
2. Secure flap down with tape.
3. Prep and seal each bag, ensure that the left side of the official seal is filled out and correctly dated.
4. Use the next Sample # in sequence.
5. Place the Green portion of the seal over the flap.

Geospatial Location:

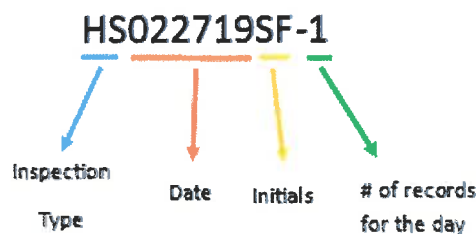
1. While collecting samples, a GPS waypoint should be taken near the center of the field being sampled to verify coordinates provided. *Note: GPS unit has to acquire enough satellites to provide an accurate waypoint.*
2. Rename the GPS waypoint to the IHP sample number.
3. You will need this information later when entering sample information in the database.

Securing Samples for Transport:

1. Place 2 of the 3 samples in the cooler.
2. Ensure that the ice packs are separated by cardboard to avoid moisture damage.
3. The third bagged sample will be given to the representative on site.
4. Ensure that the Chain of custody is complete. Once complete, give the appropriate copy to the representative on site.
5. Lock cooler with provided lock. If traveling overnight, or leaving truck unattended for any amount of time, ensure the samples are protected from tampering (Cooler inside locked cab; or bring cooler into hotel room.)

Inspection Record:

1. After collecting samples, write a report using the AZDA-PSD-InspRcd.pdf and AZDA-PSD-InspRcdCont.pdf templates.
2. In body of report, relay which harvest lot corresponds to which sample number.
 - a. If sampling multiple harvest lots on same day for one licensee, use the sum of all outdoor acres or indoor sq./ft.
 - b. Note in the inspection record any questions, concerns, or potential compliance issues (missing signage, harvesting before samples taken, Etc.).
3. A unique record number will be generated for the inspection record by using the following:



4. Unique record number format: AABBBBBBCC-X
 - a. A: 2 Letter inspection code. This is the type of inspection being conducted.
 - i. SV: Site visit
 - ii. HS: Pre-harvest sampling
 - iii. RS: Remediation Sampling
 - iv. PS: Processor Sampling
 - v. PI: Processor inspection
 - vi. GI: Grower inspection


- b. B: 6 digit date. MMDDYY
 - c. C: First and last initials of Inspector writing the report
 - d. X: The number of reports of this inspection type written so far on this day.
5. Example: Stephen Fuchs has Pre-harvest sampling appointments at two different Growers, and an Audit at a nearby processor on February 17, 2025. His Reports for that day will be:
HS021725SF-1 HS021725SF-2 PI021725SF-1.
 6. After typing the report, save report named with the Licensee's 6-Digit Basic License Number and Record Number. (i.e. 190132-HS021725SF-1)
 7. Print two copies, Sign both copies, ask the representative on site sign one copy and give them the other for their records.

Post-Sampling Process:

1. Notify Program Manager of departure (email, phone call, or text message).
2. When bringing samples to the AZ State Agriculture Lab or 3rd Party Lab, notify the appropriate point of contact with an estimated time of arrival, and number of samples that will be submitted.
3. A laboratory agent must sign the chain of custody, note condition of sample, and take the appropriate copy of the chain of custody.


In-Office Process:

1. Submit sample information into the 'Hemp DB' database. Ensure accuracy of information before posting official sample.
2. Scan and copy originals of Chain of custody, Acknowledgement of Inspection Rights, and Inspection Record. Scans should be sent directly to azhemp@azda.gov. File the originals to the appropriate customer file.

Procedure Title	Industrial Hemp Producer Inspection SOP
Date SOP Reviewed/Updated	12/27/2021
Implementation Date	1/1/2022
Approved by	
Responsible Person	Industrial Hemp Inspectors

Procedure:

1. To inspect for compliance with the hemp laws and regulations of the state and the federal regulations listed in 7 CFR Part 990 through a random sampling of hemp growers and nurseries ("producer"), open the database and randomly select a producer that has not previously been inspected during the calendar year.
2. Contact the producer by email and phone to schedule a time to conduct the inspection. Inform the producer that access to all hemp related records and registered locations will be required.
3. Once an inspection has been scheduled, place the information on the Industrial Hemp Calendar and send a confirmation email to the producer and hemp staff that includes the producer information, and date and time of the inspection.
4. Prior to the inspection, pull all existing records regarding the producer to be inspected. Have readily available all reports, location information, certificates and notifications. This information will be used to determine what information has been correctly submitted and retained by the producer.
5. On the day of the scheduled inspection, contact the producer no less than an hour before arrival to confirm appointment time and location.
6. Upon arrival at the producers location, inform the producer of their inspection rights and complete a "Notice of Inspection Rights" form for the producer to sign and date.
7. Proceed with inspecting the records provided by the Producer to check for completeness and accuracy. Make note of any discrepancies.
8. After inspecting the producer's records, inspect the producer's locations for any evidence that hemp was produced in violation of the hemp laws and regulations of the state.
9. Complete an inspection report noting any issues of non-compliance. If an inspector observes any issues that are a violation greater than negligent, contact the Program Manager right away for additional direction.
10. Review the inspection report with the producer and inquire about any issues of non-compliance that the producer can rectify at that time. Inform the producer if there any issues that are considered greater than negligent. Have the report signed and dated by the producer and note any refusal to sign. Inform the producer that the Program Manager will follow-up with instructions for complying with any issues of non-compliance; any violations that may be issued; and the producers right to appeal a notice of violation.
11. After the inspection is completed, provide the program manager a copy of the inspection report.
12. The Program manager will draft a "letter of non-compliance" highlighting any issues that will require corrective actions by the producer, and provide an appropriate deadline. Any Issues that are determined to be greater than negligent will be included in a "notice of violation" to the producer, and the producer will be provided information on their right to appeal.
13. Follow-up inspections should be scheduled after the date of expected compliance to conduct a follow-up inspection if necessary. Follow-up activity regarding a notice of violation will be determined on a case-by-case basis.
14. Copies of all reports, letters, or notices must be kept in the producers record and all record retention requirements must be followed.

Procedure Title	Industrial Hemp Sampler Training SOP
Date SOP Reviewed/Updated	12/27/21
Implementation Date	01/01/22
Approved by	
Responsible Person	Industrial Hemp Program Manager and Sampler

Procedure:

Prior to authorizing any Department Inspector ("Sampler") to collect industrial hemp samples for compliance purposes the following must be completed:

1. Provide the Sampler a copy of:
 - a. Arizona Revised Statutes Title 3, Chapter 2, Article 4.1 Industrial Hemp
 - b. Arizona Administrative Code Title 3, Chapter 4, Article 10 Industrial Hemp
 - c. Substantive Policy Statement 19-01: Industrial Hemp Sampling Method
 - d. Industrial Hemp Inspection SOP
2. Ensure the Sampler has read and understands the information provided in the documents described in (1)(a) through (d).
3. The Sampler will be provided on-site training to demonstrate the sample collection and sample submission process.
4. The Sampler will be required to demonstrate, without assistance, the ability to collect and submit samples according to the documentation listed in (1)(a) through (d) and the on-site training.
5. Once the Sampler has successfully completed training and has demonstrated the ability to successfully collect and submit hemp compliance samples, the Sampler will be added to a list maintained by the Program Manager of those that are proficiently trained to collect hemp samples for compliance purposes.
6. Samplers will be randomly audited and tested to ensure the ability to collect samples is maintained.
7. If at anytime the Sampler conducts a sampling or sample submission in error, the Sampler will be required to follow the steps in a corrective action plan, and demonstrate that any deficiency is corrected before conducting any additional sampling.