



A multitude of chemical compounds are found in cannabis plants, with THC and cannabidiols (CBD) being the most notable and commonly [studied for medicinal purposes](#). While THC produces a “high” and may have therapeutic benefits, CBD is non-psychoactive and may also have therapeutic benefits, such as decreasing pain and inflammation. These chemicals are extracted from the plant and typically are concentrated in the resin that coats the leaves and flowers. Although hemp plants may contain varying levels of CBD, there is [debate on whether hemp is the best source of CBD](#) for medicinal products. Lawmakers and other stakeholders are looking for clarity in how both of these plants can be grown and processed for products that have medical benefit under state law, and whether they can be sold across state lines.

For the past 80 years, cannabis has been illegal under federal law and grown and used illicitly. However, 29 states, the District of Columbia, Guam and Puerto Rico have legalized its production and use for medical purposes, and since 2012 voters in eight states and the District of Columbia have legalized its recreational use for adults. Hemp is also illegal under federal law, although certain parts of the plant that lack significant levels of THC—such as sterilized seeds and products (e.g., cloth and food)—are legal to import and sell in the U.S.

## Federal Action

The [Agricultural Act of 2014](#), also known as the Federal Farm Bill, allowed states to establish research or pilot programs to look at the cultivation, growth or marketing of hemp. States can authorize universities or state departments of agriculture to begin cultivating industrial hemp for limited purposes. The 2014 Farm Bill defines industrial hemp as containing a THC concentration of 0.3 percent or less.

Cannabis plants—including those grown for medical, adult-use and industrial hemp purposes—remain classified as a Schedule I substance under the federal Controlled Substances Act, which makes it difficult to conduct research for medical use or product development. However, permitting from the U.S. Drug Enforcement Agency (DEA) is [no longer required for researching industrial hemp](#) that is grown within the limits outlined in the Farm Bill.

Multiple federal agencies have a role in regulating cannabis and continue to release rules and guidance related to its cultivation and processing. For example, the U.S. Department of Agriculture, in consultation with the U.S. DEA and the U.S. Food and Drug Administration, released a [Statement of Principles on Industrial Hemp](#) on Aug. 12, 2016, to clarify applicable activities allowed in the 2014 Farm Bill.

Interstate transportation and sales are key issues still to be addressed. The federal Omnibus Appropriations Act of 2016 defunded federal agency enforcement activities, including interstate transportation of industrial hemp grown in accordance with the 2014 Farm Bill.

## State Action

Laws in at least 47 states regulate the cultivation, processing and sale of industrial hemp or of cannabis products. State laws typically define industrial hemp as having a concentration of 0.3 percent or less of THC, except for West Virginia’s defined concentration limit of 1 percent or less. States also have defined other terms, such as “hemp extract” and “CBD oil” with concentration specifications for THC and CBD. While these terms are not consistent across states, definitions often allow THC levels of above 0.3 percent and CBD of 15 percent.

Laws in at least 34 states allow hemp to be cultivated under certain conditions. State policymakers have addressed various policy issues, including the definition of hemp, licensure of growers, seed regulation and certification, statewide commissions and legal protection of growers. State research programs include studying growing conditions—soil quality, season length, seed viability—and exploring the crop’s economic and marketing potential.

At least 18 states have enacted laws allowing limited access to cannabis products with low levels of THC and high levels of CBD for medical use. Idaho also passed a bill, which was vetoed by the governor in 2015.

Some state laws clarify the legality of extracts from industrial hemp plants:

- Nebraska amended the state’s [Uniform Controlled Substance Act](#) to exclude extracted resins from the definition of “hashish or concentrated cannabis.”
- [Washington’s industrial hemp program](#) prohibits processing parts of the plant for human consumption with the exception of seeds. Thus, hemp cannot be grown for use in CBD products.

State lawmakers continue to respond to interest from their constituents, including farmers, looking for new crops and sources of income, patients looking to try medical cannabis products, and others. In all of these situations, transportation across state borders and access to viable seeds also present issues for those working in the industry. Knowledge of federal and state-specific laws and regulations is essential for those working in this industry.

## Additional Resources

[NCSL Marijuana Deep Dive](#)

[NCSL webpage, State Industrial Hemp Statutes](#)

[NCSL webpage, State Medical Marijuana Laws](#)

[Congressional Research Service’s Hemp as an Agricultural Commodity](#)

[DEA’s Clarification of the New Drug Code for Marijuana Extract](#)

[U.S. Department of Agriculture’s National Institute of Food and Agriculture’s Industrial Hemp page](#)

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