ARIZONA DEPARTMENT OF AGRICULTURE **DIRECTOR'S ADMINISTRATIVE ORDER** **PLANT SERVICES DIVISION** Industrial Hemp Program Processor Notification	**DIVISION/ PROGRAM** PSD **DAO 19-05** SIGNATURE **December 18, 2019** DATE

1. PURPOSE

This order further defines reporting and billing requirements in order to collect fees prescribed in A.A.C. § R3-4-1005(E).

2. AUTHORITY

A.R.S. § 3-201.01.	Associate director; powers and duties
A.R.S. § 3-312.	Legislative findings; purpose; authorization
A.R.S. § 3-313.	Rulemaking; fees; intent
A.R.S. § 3-314.	Industrial hem licenses; applications; fees; fingerprinting requirements; renewal; revocation

3. APPLICABILITY

A.A.C. § R3-4-1005	Fees
A.A.C. § R3-4-1011	Notifications; Reports

4. DEFINITIONS

For the purpose of this order the following definitions will apply:

1. "Reporting Period" means one calendar month.
2. "Biomass" means the homogenized pieces and parts, including but not limited to stems, leaves and floral parts of hemp.
3. "Hurds" means the coarse parts of hemp that adhere to the fiber after it is separated.

4. ORDER

1. Under the Department's interpretation of A.A.C. § R3-4-1011(E), a licensed processor will provide the Department with an Industrial Hemp Program Processor Notification Form from each authorized location within 15 calendar days of the end of the reporting period. A separate form will be submitted for each type of processing category:
   a. Fiber, which shall include stalks and hurds;
   b. Oil Seed/Grain; and
   c. Floral material, which is equivalent to "biomass."

2. The Department shall issue invoices quarterly, based on the information provided in the Industrial Hemp Program Processor Notification Form, for the purpose of collecting fees as prescribed in A.A.C. § R3-4-1005(E) and A.A.C. Article 10. Industrial Hemp Table 1.

3. The Department's Industrial Hemp Program Processor Notification Form can be found at: https://agriculture.az.gov/plantsproduce/industrial-hemp-program/industrial-hemp-license-applications.

4. EFFECTIVE DATE

This order is effective immediately.