

Sixty-fourth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1436

Introduced by

Representatives Monson, Fehr

Senator Campbell

1 A BILL for an Act to amend and reenact sections 4-41-01, 4-41-02, and 4-41-03 of the North
2 Dakota Century Code, relating to industrial hemp.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 4-41-01 of the North Dakota Century Code is amended
5 and reenacted as follows:

6 **4-41-01. Industrial hemp (cannabis sativa L.) - Oilseed.**

7 ~~Industrial~~Except as otherwise provided, industrial hemp (cannabis sativa L.), having no more
8 than three-tenths of one percent tetrahydrocannabinol, is recognized as an oilseed.
9 ~~Upon~~Except as otherwise provided, upon meeting the requirements of section 4-41-02, any
10 person in this state may plant, grow, harvest, possess, process, sell, and buy industrial hemp
11 (cannabis sativa L.) having no more than three-tenths of one percent tetrahydrocannabinol.

12 **SECTION 2. AMENDMENT.** Section 4-41-02 of the North Dakota Century Code is amended
13 and reenacted as follows:

14 **4-41-02. Industrial hemp - Licensure - Reporting requirements - Continuing**
15 **appropriation.**

16 1. Any person desiring to grow or process industrial hemp for commercial purposes or
17 research shall apply to the agriculture commissioner for a license on a form prescribed
18 by the commissioner. The application for a license must include the name and address
19 of the applicant and the legal description of the land area to be used to produce or
20 process industrial hemp. Except for employees of the state seed department, the
21 agricultural experiment station, or the North Dakota state university extension service
22 involved in research and extension-related activities, the commissioner shall require
23 each applicant for initial licensure to submit to a statewide and nationwide criminal
24 history check. The nationwide criminal history check must be conducted in the manner

provided in section 12-60-24. All costs associated with the background check are the responsibility of the applicant. Criminal history records provided to the commissioner under this section are confidential. The commissioner may use the records only in determining an applicant's eligibility for licensure. Any person with a prior criminal conviction is not eligible for licensure. If the applicant has completed the application process to the satisfaction of the commissioner, the commissioner shall issue the license, which is valid for a period of one year. Any person licensed under this section is presumed to be growing or processing industrial hemp for commercial purposes or research. A license required by this section is not conditioned on or subject to review or approval by the United States drug enforcement agency. This subsection does not apply to any person licensed by the United States drug enforcement agency to conduct research.

2.
 - a. Each licensee must file with the commissioner documentation indicating that the seeds planted were of a type and variety certified to have no more than three-tenths of one percent tetrahydrocannabinol and a copy of any contract to grow industrial hemp.
 - b. If a licensee fulfills the requirements of subdivision a and if thereafter the commissioner determines that the crop nominally exceeds the permitted level of tetrahydrocannabinol, the commissioner may certify that the crop is saleable for the purposes set forth in the contract.
 - c. Each licensee shall notify the commissioner of the sale or distribution of any industrial hemp grown by the licensee, and the names of the persons to whom the hemp was sold or distributed.
3. The commissioner shall adopt rules to allow the industrial hemp to be tested during growth for tetrahydrocannabinol levels and to allow for supervision of the industrial hemp during its growing, harvesting, and processing. To provide sufficient funds to pay costs associated with monitoring and testing industrial hemp in the state, the commissioner shall assess each applicant a fee of five dollars per acre. The minimum fee assessed must be one hundred fifty dollars per applicant. Collections from this fee must be deposited in the commissioner's operating fund and are appropriated to the commissioner to be used to enforce this chapter.

1 **SECTION 3. AMENDMENT.** Section 4-41-03 of the North Dakota Century Code is amended
2 and reenacted as follows:

3 **4-41-03. Industrial hemp seed - Authority to import and sell.**

4 ~~North~~Except as otherwise provided, ~~North~~ Dakota state university and any other person
5 licensed under this chapter may import and resell industrial hemp seed that has been certified
6 as having no more than three-tenths of one percent tetrahydrocannabinol.