

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 and subdivision
2 b of subsection 2 of section 12-60-24 of the North Dakota Century Code, relating to industrial
3 hemp.

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

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

7 ~~— **4-41-01. Industrial hemp (cannabis sativa L.) - Oilseed.**~~

8 ~~— Industrial~~~~Except as otherwise provided, industrial~~ hemp (cannabis sativa L.), having no more
9 ~~than three tenths of one percent tetrahydrocannabinol, is recognized as an oilseed.~~

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

13 **SECTION 1. AMENDMENT.** Section 4-41-02 of the North Dakota Century Code is amended
14 and reenacted as follows:

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

17 1. Any person desiring to grow or process industrial hemp for commercial purposes or
18 research shall apply to the agriculture commissioner for a license on a form prescribed
19 by the commissioner.

20 a. The application for a license must include the name and address of the applicant
21 and the legal description of the land area to be used to produce or process
22 industrial hemp.

23 b. Except for employees of the state seed department, the agricultural experiment
24 station, or the North Dakota state university extension service involved in

1 research and extension-related activities, the commissioner shall require each
2 applicant for initial licensure to submit to a statewide and nationwide criminal
3 history record check. The nationwide criminal history record check must be
4 conducted in the manner provided in section 12-60-24. All costs associated with
5 the ~~background~~criminal history record check are the responsibility of the
6 applicant.

7 c. Criminal history records provided to the commissioner under this section are
8 confidential. The commissioner may use the records only in determining an
9 applicant's eligibility for licensure.

10 d. Any person with a prior criminal conviction ~~is not eligible for~~may be denied
11 licensure.

12 e. If the applicant has completed the application process to the satisfaction of the
13 commissioner, the commissioner shall issue the license, which is valid for a
14 period of one year.

15 f. Any person licensed under this section is presumed to be growing or processing
16 industrial hemp for commercial purposes or research.

17 g. A license required by this section is not conditioned on or subject to review or
18 approval by the United States drug enforcement agency.

19 h. This subsection does not apply to any person licensed by the United States drug
20 enforcement agency to conduct research.

21 i. An application for a license under this subsection may be filed with the
22 commissioner at any time.

23 2. a. Each licensee must file with the commissioner documentation indicating that the
24 seeds planted were of a type and variety certified to have no more than
25 three-tenths of one percent tetrahydrocannabinol and a copy of any contract to
26 grow industrial hemp.

27 ~~b. If a licensee fulfills the requirements of subdivision a and if thereafter the~~
28 ~~commissioner determines that the crop nominally exceeds the permitted level of~~
29 ~~tetrahydrocannabinol, the commissioner may certify that the crop is saleable for~~
30 ~~the purposes set forth in the contract.~~

1 ~~_____c.~~ Each licensee shall notify the commissioner of the sale or distribution of any
2 industrial hemp grown by the licensee, and the names of the persons to whom
3 the hemp was sold or distributed.

4 3. The commissioner shall adopt rules to allow the industrial hemp to be tested during
5 growth for tetrahydrocannabinol levels and to allow for supervision of the industrial
6 hemp during its growing, harvesting, and processing.

7 4. To provide sufficient funds to pay costs associated with monitoring and testing
8 industrial hemp in the state, the commissioner shall assess each applicant a fee of five
9 dollars per acre. The minimum fee assessed must be one hundred fifty dollars per
10 applicant. Collections from this fee must be deposited in the commissioner's operating
11 fund and are appropriated to the commissioner to be used to enforce this chapter.

12 ~~—SECTION 3. AMENDMENT. Section 4-41-03 of the North Dakota Century Code is amended~~
13 ~~and reenacted as follows:~~

14 ~~—4-41-03. Industrial hemp seed - Authority to import and sell.~~

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

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

20 **4-41-03. Industrial hemp seed - Authority to import and sell** Authorized activity -
21 Research.

22 The agriculture commissioner, North Dakota state university, and any other person licensed
23 under this chapter may import, and, resell, and plant industrial hemp seed ~~that has been certified~~
24 ~~as having no more than three-tenths of one percent tetrahydrocannabinol,~~ cultivate the growing
25 plant, and harvest any resulting crop, for any legally permissible purpose, including an
26 authorized pilot program or other agricultural research involving the planting, cultivating, or
27 marketing of industrial hemp.

28 **SECTION 3. AMENDMENT.** Subdivision b of subsection 2 of section 12-60-24 of the North
29 Dakota Century Code is amended and reenacted as follows:

- 1 b. The agriculture commissioner for each applicant for a license to grow or process
2 industrial hemp under section 4-41-02 and any individual engaged in an activity
3 authorized under section 4-41-03.