

1999 HOUSE AGRICULTURE

HB 1428

1

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1428

House Agriculture Committee

Conference Committee

Hearing Date 2-04-99

Tape Number	Side A	Side B	Meter #
ONE HB 1428	X		2 to 30
Committee Clerk Signature <i>Arlin Hanson</i>			

Minutes:

Summary of : Relates to designation of industrial hemp as a noxious weed also relates to the definition of noxious weed seeds.

Sen Hietkamp: one of chief sponsors of this bill testified. This is not the complete answer but would give the farmer more choices on what to plant and grow to make the farm go.

Rep Monson: Dist 10. This is the bill to legitimize the agriculture production of Industrial Hemp in North Dakota. Further it would legalize the importation of Industrial Hemp seed and plant materials that could be crushed into oil or processed into fiber or other material. It would allow us to import seed that is certified to be .3 percent less PHD that could be planted in our farmers field. If this bill were to become law it would make Industrial Hemp as legal a crop as any other oilseed crop. (Testimony attached)

Rep Monson: Has some amendments which are necessary. Did not intend to have this in the bill to start with as I don't feel we should have to take this extra ordinary measures to raise a legitimate crop how ever without the amendments it may slow up the process whereby North Dakota Farmers could plant Industrial Hemp if our Federal Govt follows the lead of Canada. The amendments I have drawn up mirrors the requirements Canadian farmers go through to get license to grow Industrial Hemp. I feel the requirements are not necessarily justified but I feel the farmers can certainly live with them. I handed out some material from a one year production study from a friend of mind, Glenn McCillroy, who farms north of the border in Canada. He was hoping to be here today but couldn't make it for other reasons.

If the amendments are adopted it would protect our farmers from having there land seized and they thrown in jail without due process as indicated by opponents in the last bill(HB1256).

The burden of proof, if plants with THC content of greater than .3% are found in a field, would be upon the law officers. If the farmer shows proof that his seed was certified to be of a variety with .3% THC or less and purchased from a legitimate source, he could not be in trouble.

This bill does not make the growing of Industrial Hemp in North Dakota legitimate but does open the door so that if the Federal Govt legitimizes it we can go ahead here in North Dakota.

Chairman Nicholas: Could you give us the differences in this bill and HB 1256.?

Can you give us some thought on the fiscal note.?

Rep Monson: Not really that much difference but sec 2 of original bill is what HB 1256 was.

What was the reason for the fiscal note?

Chairman Nicholas: Yes there is a fiscal note of \$267,868. attached to it. Reasons for fiscal note where the salaries for policing this. for operating expenses, \$151,768., \$54,300. for operating and equipment costs of 61,800. total \$267,868. If this bill is pass will have to refer to approp.

Rep Brusegaard: Did you know that Sec 3 of the bill says no county weed board may include Industrial Hemp on their list of Noxious weed list.?

Rep Monson: I'm no authority on that hopefully some one else here can answer that.

Rep Mueller: You allude here to Federal action to make this legitimate. Can you give us a feel of where they are on that?

Rep Monson: At this time I don't know where the Feds are on this. Actually the bill by itself is of no value but if the Federal Govt. does move we would be ready then. Its a legitimate crop in most foreign countries and it is just a matter of time and our Federal Govt. will be forced to deal with the situation.

Rep Mueller: Can you tell us a little about the chemical control of volunteer hemp growing wild in our crop if this is legitimized?

Rep Monson: The varieties we have now the chemicals we have today will be easy to control as long as the sprayer is working ok and he doesn't make any mistakes. We are controlling it now and have been for quite a few years since the 40's. One last comment on the fiscal note, until the Fed Govt legalizes this and put in place so we could start raising it there would be not costs associated with it.

Rep Stefonowicz: Is it your intention now to add the amendments in the event the Fed Govt allows this would the amendments be a hindrance?

Rep Monson: No I don't , I don't feel the Fed Govt will make it any more lenient than Canada.

John Leppert: Noxious weed specialist with the plant service division of the ND Dept of Agriculture. We appear here today in support of this bill. (Testimony attached)

Has some amendments they would like to see on the bill. It proposes deleting all references to chapter 63 as in the Proposed Amendments (Attachment 3) : pages 1, lines 1-3, and page 2, lines 4-9. Some other amendments in order to clarify the Noxious Weed code. We are asking that all reference to hemp be removed from chapter 63, the noxious weed law.

Mel Timmons: From New York, Ex editor of Hemp Time Magazine. Which has been publishing for 3 years now. Reason why I am here today is to write a story on how Hemp could help relieve the farm situation here in North Dakota. This is not a panacea for the farm crisis but it is an alternative crop which farmers can use. 20,000 acres in Ontario and all has been sold to the US market. 90% of world hemp comes from China. France, Germany, Iron Curtain Countries all grow it legally and we are not allowed to grow it. Hemp is legal in the US. But the EPA however is in charge of licensing. Anytime legislation is in the making the EPA shows up and says we will not license it, its marijuana.

Rep :Brandenburg: Are we in a pro-active position here relative to other states or behind.?

Mel Timmons: Gaining momentum, right now New Hampshire looks like they could pass the bill. Still in the hearing stage but could go to the floor soon. The big attractiveness of hemp products is in the Industrial use, building materials, clothing, nutritious food feeds for livestock, humans. Could replace cotton as a crop.

Nick Buttress: Bismarck. been selling Hemp products for 6 years. Showed samples to the committee. Has copies of bills from other states. One from Hawaii, Minn, Vermont, Colorado, and several other states.

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House Agriculture Committee
Bill/Resolution Number Hb 1428
Hearing Date 2-4-99

Bill Kuntz: Proposed an amendment. It is attached.

Motion by Rep Brusegaard DO PASS as amended then refer to appropriations, second by Rep
Pollert.

Vote total: 15 yes, 0 no, 0 absent motion carried

Carrier: Rep Brusegaard

FISCAL NOTE

(Return original and 14 copies)

Bill/Resolution No.: _____ Amendment to: Eng. HB 1428

Requested by Legislative Council Date of Request: 4-13-99

- 1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

Narrative:

House Bill 1428 allows for planting, manufacturing, possessing, selling, and buying of industrial hemp, or cannabis sativa, which has a tetrahydrocannabinol (THC) content of no more than three-tenths of one percent. At this time, federal law does not allow for the production of industrial hemp; however, HCR 3038 is being considered which will urge the federal government to allow for production of industrial hemp nationwide. Because this could occur at any time, now or in the next biennium, we feel it is imperative that the following resources be in place to address the issues involving the production of industrial hemp in North Dakota.

Enforcement Issues

At the present time, cannabis in any form is illegal to manufacture, possess, or distribute in North Dakota. During the course of an investigation or arrest, law enforcement officers field test suspected substances to determine identity, with follow-up analysis performed by the state laboratory to confirm the field results. The fact that the substance is determined to be cannabis is all that is required to know that the substance is illegal. No further investigation, testing, or analysis is required to establish this fact. If farmers are allowed to grow industrial hemp, the task of verifying that the crop is below the three-tenths THC content will be the responsibility of the Bureau of Criminal Investigation, because the bureau is required by state law to enforce the Controlled Substances Act.

On the illegal side, defendants will quickly learn to claim that any illegal marijuana they manufacture, sell, or possess qualifies as industrial hemp because it has a THC content of less than three-tenths of one percent, and law enforcement will bear the responsibility to prove otherwise. It will be necessary to broaden the scope of investigations to include quantitative analysis of all marijuana cannabis samples to prove that the marijuana has more than the three-tenths of one percent THC. Without additional resources, prosecution will be delayed because investigations and analysis will not be completed in a timely manner.

A number of law enforcement activities will be necessary to ensure that the problems associated with industrial hemp do not outweigh the benefits to our citizens. This fiscal note provides for the North Dakota Bureau of Criminal Investigation to contract with local law enforcement personnel in order to collect samples in the industrial hemp fields at least three times per year, provide a detailed analysis of those samples, and report suspected illegal activities when samples are higher than the three-tenths of one percent to the Bureau of Criminal Investigation for further investigation.

Agents of the Bureau of Criminal Investigation will be required to provide training to all individuals who contract to perform the monitoring activities, and will also be required to investigate any suspected illegal activity reported as a result of the monitoring activities. We anticipate that the training and investigative activities could result in the need for overtime and/or additional staff in the future. We will closely monitor

all training, monitoring, and investigative activities during the 1999-2001 biennium in order to estimate future costs.

Directly impacting the effort to effectively monitor, investigate, and prosecute these activities will be the state crime laboratory's ability to respond to the increased samples and quantitative analysis which will be required. Quantitative analysis is time-consuming and expensive, and is rarely required at this time since all cannabis is presently illegal. We recommend that the ND Department of Health be consulted regarding the potential costs which will likely result from this increased activity.

The following costs are for contractual services to be provided by local law enforcement personnel. It is estimated that there may be approximately 100 growers/licenses throughout the state in the first growing season, the year 2000, and approximately 120 in the second growing season. Each of these industrial hemp operations would be sampled and tested three times each year. Biennial monitoring activity for the 1999-2001 biennium is expected to occur, therefore, only in the last eighteen months of the biennium. Approximately five hours is estimated at each of the growers for a total of 2400 hours in the 1999-2001 biennium, and 3000 hours in the 2001-2003 biennium. Hourly rates are estimated to be approximately \$25, requiring \$60,000 in the 1999-2001 biennium, and \$74,000 in the following biennium. (Note that the number of growers has been estimated to increase to 130 in 2002, and 140 in 2003.)

Revenue from fees charged to licenses is set at \$5 per acre, and average acreage per grower is expected to be about 50 acres. Given an anticipated 100 growers in 2000, and 120 in 2001, the 1999-2001 biennium revenues are projected at \$55,000. The 2001-2003 biennium revenues are projected to be \$67,500.

The following charts detail the anticipated revenues and expenditures related to monitoring industrial hemp fields for the 1999-2001 and 2001-2003 bienniums.

1999-2001

Revenue

	Year	# Farmers	Average Acreage	Price/Acre	Revenue Per Year	
1)	1999	0	0	\$5	\$0	
	2000	100	50	\$5	\$25,000	
2)	2001	120	50	\$5	\$30,000	
					\$55,000	1999-2001 Income

Expenditures

	Year	# Farmers	# Visits Per Growing Season	Average Hours Per Visit	Total Inspection Hours	Contract Rate Per Hour	Cost to Contract for Inspection
1)	1999	0	0	5	0	\$25	\$0
	2000	100	3	5	1500	\$25	\$37,500
3)	2001	120	1.5	5	900	\$25	\$22,500
					2400		\$60,000

- 1) We do not anticipate licensing, growing, or inspection activity during the 1999 growing season.
- 2) Revenue received during 1999-01 biennium will include the entire 2001 growing season.
- 3) Expenditures incurred during 2001 are estimated at 1/2 the annual total, as the remaining expenditures will be incurred during the 2001-2003 biennium.

2001-2003

Revenue

	Year	# Farmers	Average Acreage	Price/Acre	Revenue Per Year	
1)	2001	120	50	\$0	\$0	
	2002	130	50	\$5	\$32,500	
	2003	140	50	\$5	\$35,000	
					\$67,500	2001-2003 Income

Expenditures

	Year	# Farmers	# Visits Per Growing Season	Average Hours Per Visit	Total Inspection Hours	Contract Rate Per Hour	Cost to Contract for Inspection
2)	2001	120	1.5	5	900	\$25	\$22,500
	2002	130	3	5	1950	\$25	\$48,750
3)	2003	140	1.5	5	1050	\$25	\$26,250
					3000		\$75,000

- 1) Revenue for 2001 licenses will have been received during the 1999-2001 biennium
- 2) Expenditures incurred during 2001 are estimated at 1/2 the annual total, as the remaining expenditures will be incurred during the 1999-2001 biennium.
- 3) Expenditures incurred during 2003 are estimated at 1/2 the annual total, as the remaining expenditures will be incurred during the 2003-2005 biennium.

Criminal History Record Checks

Any increase in the number of statewide and nationwide non-criminal justice records checks requested of the Bureau of Criminal Investigation will require additional staff resources and additional space to accommodate increased personnel. The FBI requires that non-criminal justice records checks originating in North Dakota be processed by the North Dakota BCI, and considerable BCI staff resources are required to act in this capacity.

The number of non-criminal justice request for criminal records checks has increase from 152 in 1987 to 6,280 in 1998. And, in this period of time, there has been no increase in the size of the criminal records staff.

The ability to enter fingerprint card data, and the subsequent disposition date from prosecutors, in a timely manner, has a direct and crucial effect on the accuracy and completeness of the data that is released as criminal record information both in the state and through the FBI. If we have it sitting in a backlog, the FBI doesn't have it, and therefore their records are not complete.

With the current staffing level, we cannot keep up with incoming information. Any additional work such as would be created by this bill will require additional staff resources and additional space to accommodate increased personnel. An identification technician position is included in the Governor's budget to address the backlog of fingerprint cards, but additional staff resources would be necessary if this bill is passed and involved BCI staff as described above.

It is estimated that a one-eighth Identification Technician position will be required to process an estimated 200 - 220 records checks in the coming biennium for individuals who are the subject of this bill. There will, however, as a result of the \$20 fee charged by the state, be revenues which are paid to the general fund.

The following is estimated to support an additional one-eighth position for the next biennium to process statewide and nationwide criminal records checks requests:

	1999-01	2001-03
Salary	8,448	8,786
Benefits	3,259	3,389
Operating	2,905	3,021
Total	\$ 14,612	\$ 15,196

Operating expenses include a share of computer equipment, training, and additional office space, in addition to a share of support services.

Note: Other bills which have the effect of increasing the need for criminal record staff resources in the BCI include SB 2058, SB 2171, and HB 1081.

2. State fiscal effect in dollar amounts:


	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	-0-	-0-	\$ 4,400	\$55,000	\$ 5,400	\$67,500
Expenditures	-0-	-0-	\$ 14,612	\$60,000	\$15,196	\$75,000

3. What, if any, is the effect of this measure on the budget for your agency or department:

- a. For rest of 1997-99 biennium: None
(Indicate the portion of this amount included in the 1999-2001 executive budget: \$0.00)
- b. For the 1999-2001 biennium: \$ 74,612
(Indicate the portion of this amount included in the 1999-2001 executive budget: \$0.00)
- c. For the 2001-03 biennium: \$ 90,196

4. County, city, and school district fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

Signed: 
 Typed Name: Jerald C. Kemmet
 Department: Office of Attorney General, BCI
 Phone Number: 328-5500
 Date Prepared: 4-14-99

FISCAL NOTE

(Return original and 14 copies)

Bill/Resolution No.: _____ Amendment to: Eng. HB 1428
Requested by Legislative Council Date of Request: 4-1-99

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Directly impacting our agency's ability to effectively monitor, investigate, and prosecute these activities will be the state crime laboratory's ability to respond to the increased samples and quantitative analysis which will be required. Quantitative analysis is time-consuming and expensive, and is rarely required at this time since all cannabis is presently illegal. We recommend that the ND Department of Health be consulted regarding the potential costs which will likely result from this increased activity.

The costs listed below are for the salary, operating, and equipment needs of two special agents to be assigned to the narcotics section of the North Dakota Bureau of Criminal Investigation. These positions will allow us to monitor industrial hemp fields and provide investigative assistance to local law enforcement. Operating costs include travel, telecommunications, rent, vehicle maintenance, duty weapons, and vests; and equipment costs include a vehicle, computer, digital voice protected radio, DVP portable radio, and 35 mm camera and lenses for each agent. It is anticipated that equipment and operating costs will be less in the 2001-03 biennium, as some items will be replaced with trade-in value or will not need replacement.

	1999-01	2001-03
Salaries	151,768	160,874
Operating	54,300	52,000
Equipment	61,800	38,000
Total	\$ 267,868	250,874

Criminal History Record Checks

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The performance of state criminal history record checks for individuals seeking a license to grow industrial hemp, in addition to the national FBI check, will utilize the one-eighth identification technician position requested above.

It is estimated that a one-eighth Identification Technician position will be required to process an estimated 200 records checks per year in the coming biennium for individuals who are the subject of this bill. There will, however, as a result of the \$20 fee charged by the state, be revenues which are paid to the general fund.

The following is estimated to support an additional one-eighth position for the next biennium to process statewide and nationwide criminal records checks requests:

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Amendment to Engrossed HB 1428: Costs associated with monitoring and testing industrial hemp in the state are as indicated under Enforcement Issues above: 267,868 in the 1999-01 biennium. The fees required of licensees by the agriculture commissioner are intended by the bill to cover these costs. Since it is unknown how many licensees there may be, the following estimates are provided for a fee structure necessary to cover expenses:

19901-01 Biennium	
No. of Licensees	Estimated Annual Fee
20	\$6,696.70
40	\$3,348.35
80	\$1,674.18
160	\$ 837.09

2. State fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	-0-	-0-	\$ 8,000	\$267,868	\$ 8,000	\$250,874
Expenditures	-0-	-0-	\$ 14,612	\$267,868	\$15,196	\$250,874

3. What, if any, is the effect of this measure on the budget for your agency or department:

- a. For rest of 1997-99 biennium: None
(Indicate the portion of this amount included in the 1999-2001 executive budget: \$0.00)
- b. For the 1999-2001 biennium: \$ 282,480
(Indicate the portion of this amount included in the 1999-2001 executive budget: \$0.00)
- c. For the 2001-03 biennium: \$ 266,070

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Signed: *Jerald C Kemmet*
 Typed Name: Jerald C. Kemmet
 Department: Office of Attorney General, BCI
 Phone Number: 328-5500
 Date Prepared: ~~3-31-99~~ 4/1/99 *JK*

FISCAL NOTE

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Revenues	-0-	-0-	\$ 8,000	-0-	8,000	-0-
Expenditures	-0-	-0-	\$ 282,480	-0-	\$ 266,070	-0-

What, if any, is the effect of this measure on the budget for your agency or department:

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4. County, city, and school district fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

Signed: Jerald C. Kemmet
 Typed Name: Jerald C. Kemmet
 Department: Office of Attorney General, BCI
 Phone Number: 328-5500
 Date Prepared: 2-11-99

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: HB 1428 Amendment to: _____
Requested by Legislative Council Date of Request: 1-27-99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

Narrative:

House Bill 1428 allows for planting, manufacturing, possessing, selling, and buying of industrial hemp, or cannabis sativa, which has a tetrahydrocannabinol (THC) content of no more than three-tenths of one percent.

At the present time, cannabis in any form is illegal to manufacture, possess, or distribute in North Dakota. During the course of an investigation or arrest, law enforcement officers field test suspected substances to determine identity, with follow-up analysis performed by the state laboratory to confirm the field results. The fact that the substance is determined to be cannabis is all that is required to know that the substance is illegal. No further investigation, testing, or analysis is required to establish this fact. If farmers are allowed to grow industrial hemp, the task of verifying that the crop is below the three-tenths THC content will be this agency's responsibility because we are required by state law to enforce the Controlled Substances Act.

On the illegal side, defendants will quickly learn to claim that any illegal marijuana they manufacture, sell, or possess qualifies as industrial hemp because it has a THC content of less than three-tenths of one percent, and law enforcement will bear the responsibility to prove otherwise. It will be necessary to broaden the scope of investigations to include quantitative analysis of all marijuana cannabis samples to prove that the marijuana has more than the three-tenths of one percent THC. Without additional resources, prosecution will be delayed because investigations and analysis will not be completed in a timely manner.

A number of law enforcement activities will be necessary to ensure that the problems associated with industrial hemp do not outweigh the benefits to our citizens. This fiscal note provides for two special agents to be assigned to the North Dakota Bureau of Criminal Investigation. The agents will be assigned to eastern and western North Dakota in order to 1) collect samples in the industrial hemp fields at least three times per year and provide a detailed analysis of those samples, and 2) investigate suspected illegal activities when samples are higher than the three-tenths of one percent. This could include seizing equipment and additional court time for prosecution.

Directly impacting our agency's ability to effectively monitor, investigate, and prosecute these activities will be the state crime laboratory's ability to respond to the increased samples and quantitative analysis which will be required. Quantitative analysis is time-consuming and expensive, and is rarely required at this time since all cannabis is presently illegal. We recommend that the ND Department of Health be consulted regarding the potential costs which will likely result from this increased activity.

The costs listed below are for the salary, operating, and equipment needs of two special agents to be assigned to the narcotics section of the North Dakota Bureau of Criminal Investigation. These positions will allow us to monitor industrial hemp fields and provide investigative assistance to local law enforcement. Operating costs include travel, telecommunications, rent, vehicle maintenance, duty weapons, and vests; and equipment costs include a vehicle, computer, digital voice protected radio, DVP portable radio, and 35 mm

camera and lenses for each agent. It is anticipated that equipment and operating costs will be less in the 2001-03 biennium, as some items will be replaced with trade-in value or will not need replacement.

	1999-01	2001-03
Salaries	151,768	160,874
Operating	54,300	52,000
Equipment	61,800	38,000
Total	\$ 267,868	250,874

2. State fiscal effect in dollar amounts:

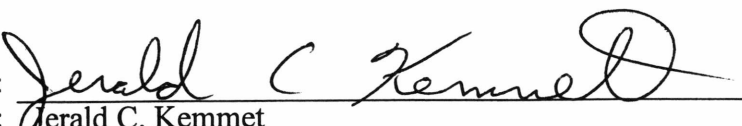
	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	-0-	-0-	-0-	-0-	-0-	-0-
Expenditures	-0-	-0-	\$ 267,868	-0-	\$ 250,874	-0-

3. What, if any, is the effect of this measure on the budget for your agency or department:

- a. For rest of 1997-99 biennium: None
(Indicate the portion of this amount included in the 1999-2001 executive budget: \$0.00)
- b. For the 1999-2001 biennium: \$ 267,868
(Indicate the portion of this amount included in the 1999-2001 executive budget: \$0.00)
- c. For the 2001-03 biennium: \$ 250,874

County, city, and school district fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

Signed: 
 Typed Name: Gerald C. Kemmet
 Department: Office of Attorney General, BCI
 Phone Number: 328-5500
 Date Prepared: 2-2-99

PROPOSED AMMENDMENT TO HOUSE BILL NO. 1428

Page 1, line 21, remove the overstrike over "~~hemp~~" and insert immediately thereafter "(*Cannabis sativa* L.) having more than three-tenths of one percent tetrahydrocannibol.

W. Porter
2-4-99

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1428

Page 1, line 8, replace "Any" with "Upon meeting the requirements of section 2, any"

Page 1, after line 10, insert:

"SECTION 2. Industrial hemp - Licensure - Reporting requirements.

1. Any person desiring to grow industrial hemp for commercial purposes shall apply to the agriculture commissioner for a license on a form prescribed by the commissioner. The application for a license must include the name and address of the applicant and the legal description of the land area to be used for the production of industrial hemp. The commissioner shall require each applicant for initial licensure to file a set of the applicant's fingerprints, taken by a law enforcement officer, and any other information necessary to complete a statewide and nationwide criminal history check with the bureau of criminal investigation for state processing and with the federal bureau of investigation for federal processing. 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 industrial hemp for commercial purposes.
2. 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. 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 growth and harvest."

Re-number accordingly

VR
2/9/99
182

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1428

Page 1, line 1, remove "to create and enact a new"

Page 1, remove line 2

Page 1, line 3, remove "industrial hemp as a noxious weed;"

Page 1, line 6, replace "- **Cannabis sativa**" with "**(cannabis sativa l.)**" and replace ", cannabis" with "(cannabis sativa l.)"

Page 1, line 7, remove "sativa" and replace "tetrahydracannibol" with "tetrahydrocannabinol"

Page 1, line 8, replace "Any" with "Upon meeting the requirements of section 2 of this Act, any"

Page 1, line 9, replace ", cannabis sativa" with "(cannabis sativa l.)"

Page 1, line 10, replace "tetrahydracannibol" with "tetrahydrocannabinol"

Page 1, after line 10, insert:

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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 growth and harvest."

Page 1, line 18, overstrike the first "1." and insert immediately thereafter "l." and overstrike the second "1." and insert immediately thereafter "l."

Page 1, line 19, overstrike "1." and insert immediately thereafter "(l.) scop."

Page 1, line 20, overstrike "1." and insert immediately thereafter "l." and overstrike "picris pall" and insert immediately thereafter "repens l."

Page 1, line 21, after "absinthim" insert "l.", remove the overstrike over "~~hemp (cannabis sativa~~" and insert immediately thereafter "l.", remove the overstrike over ")" and insert immediately thereafter "having more than three-tenths of one percent tetrahydrocannabinol", remove the overstrike over the comma, and after "nutans" insert "l."

Page 1, line 22, overstrike "maculosalam" and insert immediately thereafter "maculosa lam.", overstrike "and", and overstrike "1." and insert immediately thereafter "(l.) desv.", and yellow starthistle (centaurea solstitialis l.

Page 2, line 2, after "sepium" insert "l."

Page 2, line 3, after "fatua" insert "l." and overstrike "l." and insert immediately thereafter "(l.)"

Page 2, remove lines 4 through 9

Renumber accordingly

Please type or use black pen to complete

Date 7-4-99

Roll call vote # 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1428

House _____ Committee _____

Subcommittee on _____

Conference Committee

} Identify or check where appropriate

Legislative Council Amendment Number _____

Action Taken Motion do pass as amended & Refer to Appr

Motion Made By _____ Seconded By _____

Representatives	Yes	No	Representatives	Yes	No
Nicholas Chu	✓		Stepanowicz	✓	
Johnson	✓				
Brucegaard	✓				
Rennefeldt	✓				
Pollert	✓				
Renner	✓				
Brandenburg	✓				
Herbel	✓				
Berg	✓				
Koppang	✓				
Warner	✓				
Fraelich	✓				
Nowatzki	✓				
Muehlen	✓				

Total 10 0
(Yes) (No)

Absent _____

Floor Assignment Refer to approp

If the vote is on an amendment, briefly indicate intent:

DO NOT USE HIGHLIGHTER ON ANY FORMS

REPORT OF STANDING COMMITTEE

HB 1428: Agriculture Committee (Rep. Nicholas, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1428 was rereferred to the Appropriations Committee.

Page 1, line 1, remove "to create and enact a new"

Page 1, remove line 2

Page 1, line 3, remove "industrial hemp as a noxious weed;"

Page 1, line 6, replace "- **Cannabis sativa**" with "**(cannabis sativa L.)**" and replace ", cannabis" with "(cannabis sativa L.)"

Page 1, line 7, remove "sativa" and replace "tetrahydracannibol" with "tetrahydrocannabinol"

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Page 1, line 22, overstrike "maculosalam" and insert immediately thereafter "maculosa lam.", overstrike "and", and overstrike "1." and insert immediately thereafter "(l.) desv.", and yellow starthistle (centaurea solstitialis L."

Page 2, line 2, after "sepium" insert "l."

Page 2, line 3, after "fatua" insert "l." and overstrike "l." and insert immediately thereafter "(l.)"

Page 2, remove lines 4 through 9

Renumber accordingly

1999 HOUSE APPROPRIATIONS

HB 1428

There were no minutes from House Appropriations Committee.

Date: 2/11/97
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1428

House Appropriations Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Wentz Seconded By Gulleson

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	X		Nichols	X	
Vice-Chairman Byerly		X	Poolman	X	
Aarsvold	X		Svedjan	X	
Bernstein	X		Timm	X	
Boehm	X		Tollefson	X	
Carlson		X	Wentz	X	
Carlisle		X			
Delzer		X			
Gulleson	X				
Hoffner	X				
Huether	X				
Kerzman	X				
Lloyd	X				
Monson	X				

Total (Yes) 16 No 4

Absent 0

Floor Assignment Gulleson

If the vote is on an amendment, briefly indicate intent:

1999 SENATE AGRICULTURE

HB 1428

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1428

Senate Agriculture Committee

Conference Committee

Hearing Date 2/25/99

Tape Number	Side A	Side B	Meter #
1	X		0-5530
2/26/99 1		X	20-650
Committee Clerk Signature <i>Shirley Ferguson</i>			

Minutes:

Senator Wanzek called the meeting to order, roll call was taken, all were present.

Senator Wanzek opened the hearing on HB 1428.

Representative Monson introduced the bill. Testimony was enclosed.

Senator Wanzek: Looking at records that is profit.

Representative Monson: That's right.

Senator Sand: Is this a regulation that forbids hemp to be grown in U.S. or is it law?

Representative Monson: My understanding is that Congress never passed a law.

Senator Wanzek: Could we flood the market?

Representative Monson: I'm sure it would be possible.

Senator Wanzek: Do you believe we could generate enough production to make it feasible to have a processing plant.

Representative Monson: I have no doubt.

Senator Sand: Could you relate hemp to barley.

Representative Monson: Barley has only been feed quality lately.

Senator Urlacher: Did they irrigate the hemp in the pictures?

Representative Monson: They didn't. It takes about 20 inches of moisture, that includes snowfall.

Representative Nichols spoke in support of the bill. In northern part of state don't have alternative crops, the opportunity to raise hemp would help them out.

Senator Heitkamp spoke to support the bill. Feels hemp is very diverse and there are many things that can be done with it.

Senator Mathern spoke to support the bill. The oil from hemp is a high grade. The clothing made from hemp is softer after a few washings than the clothing made from cotton. Marijuana can not grow next to hemp.

Senator Sand: Did your son tell you that the Europeans are getting out in a year or two because of cost of subsidy?

Senator Mathern: No he didn't tell me that.

Dave Nelson spoke in support of the bill. Testimony enclosed.

Merlin Leithold from NDWLA spoke in favor of the bill. He asked to have marijuana removed from the noxious weed list.

Jerry Cambent spoke in opposition of the bill. There are some law enforcement concerns. They are having a problem with telling the difference between hemp and marijuana.

Senator Wanzek: Do you think the records will help?

Jerry Cambent: Definitely.

Senator Sand: Could we think of them separately and not combine them. Hemp would create a little stress for your department, farming often has greater stress than in your department.

Jerry Cambent: Yes, he does have stress, but it is different stress.

Senator Kinnoin: They have different tests, could law enforcement take care of that?

Jerry Cambent: They are presumptive tests, it still needs to go to the lab.

Senator Wanzek: Wouldn't the benefit outweigh the cost?

Jerry Cambent: That is why I am saying I am opposed to this bill.

Senator Wanzek closed the hearing on HB 1428.

FEBRUARY 26, 1999

Discussion was held.

Senator Klein made the motion for a Do Pass on the Amendments.

Senator Mathern seconded.

Motion carried.

Senator Mathern made the motion for a Do Pass as Amended.

Senator Sand seconded.

ROLL CALL: 7 Yes, 0 No

CARRIER: Senator Mathern

Date: 2/26
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HP 1428

Senate Agriculture Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as Amended Appropriation

Motion Made By Mathern Seconded By Sand

Senators	Yes	No	Senators	Yes	No
Senator Wanzek	✓				
Senator Klein	✓				
Senator Sand	✓				
Senator Urlacher	✓				
Senator Kinnoin	✓				
Senator Kroeplin	✓				
Senator Mathern	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment Senator Mathern

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1428, as engrossed: **Agriculture Committee (Sen. Wanzek, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1428 was placed on the Sixth order on the calendar.

Page 2, line 24, overstrike "absinthim" and insert immediately thereafter "absinthium"

Renumber accordingly

1999 SENATE APPROPRIATIONS

HB 1428

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. ENGROSSED HB 1428

Senate Appropriations Committee

Conference Committee

Hearing Date 3/10/99; 3/29/99

Tape Number	Side A	Side B	Meter #
2	X		3900-end
2		x	0-1620
3/29/99	1	2300-3375	
Committee Clerk Signature <i>Claudia Anderson</i>			

Minutes:

SENATOR NETHING: Opened the hearing on engrossed HB 1428; a BILL for an Act to authorize the production of industrial hemp and to amend and reenact subsection 13 of section 4-09-01 of the North Dakota Century Code, relating to the definition of noxious weed seeds.

DAVID MONSON: Representative, District 10, to testify in support of engrossed HB 1428 as a cosponsor. (testimony attached #1) He also added that he just received word via e-mail that Hawaii passed a bill very similar to Senator Heitkamp's bill that allows test plots be planted. It passed 47-3, but beyond that the DEA is actively reviewing removing industrial hemp from the controlled substance act, and has made substantial progress toward the completion of that. They are reviewing the security regulations to include industrial hemp. If that occurs, with the passage of HB 1428 as amended with these provisions for the licensure, import and export, ND is sitting in excellent position. I feel in 1 year we would be ready to grow industrial hemp in ND. We are sitting on top of a gold mine because we have agri-oils in Carrington. They are a state-of-the art plant for crushing industrial hemp. We have the fiberboard/strawboard plants that could very easily use the fiber and make a superior product--mixing it or using it straight in those boards. We have lots of industry that could benefit from this. I would answer any questions you may have. (tape 2, A, 3900-4700)

SENATOR LINDAAS: The .3% THC figure, is that stable or will that fluctuate with weather, etc?

MONSON: That is pretty much a standard for the non-marijuana industrial hemp. It is what Canada has in theirs, and Europe I understand as well. Most varieties have .1% THC. We don't know enough about it to know if it could be affected by the weather - maybe a severe drought, a sever hailstorm, etc. But, the genetics of it are such that we should be fine with that level.

SENATOR TOMAC: What is the difference between Sen. Heitkamp's bill and this one? (tape 5030)

MONSON: Senator Heitkamp's bill allows the planting of plots at NDSU and gathering of information from the University, doing studies and perhaps trying to do some genetic engineering to alleviate some of the law enforcement problems whereby they might change the color of industrial hemp so it would be easier to identify. Right now they look very similar, but there is a hand-held test that you can clamp on the leaf and find out what the THC content is. There are further tests they can do with little vials of chemical that turn color, etc. This bill, as amended, has a licensing procedure. What it would require is that a farmer that wants to raise industrial hemp would have to tell the authorities where it is planted and they could come out and inspect it anytime. They would also have to go through a background check and make sure they didn't have a drug record and things like that.

This one allows the farmers to actually grow it. This puts it in place and it would be up to the department of agriculture to set down some rules and licensing procedures, if he wished. We don't have to have him do that. The fiscal note on this really has no bearing, I feel, until, and if we can ever plant it. At that time, perhaps the Attorney General's Office may want to hire a couple of extra people to go out and be able to do some of these chemical tests, etc. Perhaps the Ag Department may want to have some money to put provisions in place and do some licensing. It is quite a simple process and at very little cost. I don't know what the fiscal note truly is. Until we can really raise it, there is no fiscal note in my estimation. (tape 2, A, 5330)

SENATOR SOLBERG: A correction on the other bill. There are a couple of things in there: 1) it says "when it becomes legal it will be tested at NDSU, and 2) it will go through SBAR to get authorization and possible funding from the new and emerging crops. But, until NDSU has complete federal clearance, they are not interested in jeopardizing their funding, according to Cole Gustafson.

SENATOR TALLACKSON: This isn't a new crop to ND is it?

MONSON: No, it was grown back in the '40's, we did raise industrial hemp, and in fact were encouraged to raise industrial hemp for the war efforts. There is some industrial hemp growing wild in the southeastern part of the state. I do have a bill in to take it off the noxious weed list. But, Roger Johnson is taking it off on his own accord so I don't know if that is a necessary bill either.

JOEL HEITKAMP: Senator, District 27, and cosponsor of HB 1428 to testify in support of the engrossed bill. We're putting together the pieces of the hemp bills so when industrial hemp does become legal, we're ready to go. We're already behind Canada and other states. This isn't the end-all solution for farming, but it is a piece of the puzzle farmers may choose to use. They're doing very well with it in Canada. If everyone started raising it, you will have less of a market for it. The point is, it gives farmers a tool. Why we're limiting that tool is beyond me. If we've got a problem with drug enforcement and we can get some money in the farmer's hands, and we need some enforcement, that's a good investment. Give the money to enforcement and make sure they check up on it. The plain and simple fact is the Canadians are still ahead of us. The big move needs to come from the federal level. It is growing in ND right now - very voluntarily, but it is growing right now. (tape 2, A, 5600-5960)

SENATOR NETHING: We can't do anything, but we have a fiscal note?

HEITKAMP: The fiscal note doesn't kick in until we can actually grow it.

SENATOR NETHING: That's the dilemma. We have a fiscal note. We get testimony that implies we've got to catch up with Canada, and that we're not being fair to our farmers. Yet it is a federal problem.

HEITKAMP: I hope I'm not leaving the impression we're shortchanging our farmers. We've done everything in our committees to bring this forward and send a strong signal to the federal government that says we don't like being regulated in relation to how we make a living out here. This isn't even a threat to society. When and if we can start growing it, it may cost the state some to regulate it.

SENATOR BOWMAN: When we find this is a product we can grow in our state, will we get seeds from Canada and is it legal to transport it in from Canada?

HEITKAMP: That is how that pieces together with some of the other work this committee has done. I know Senators Solberg and Tomac worked on this in a subcommittee that worked on this.

SENATOR TOMAC: If the feds deregulate this, will they require a state license, and if they take it off the list, how necessary is the bill? (tape 2, B, 218)

HEITKAMP: When you start raising hemp, you'll have to have some type of licensure. There will have to be some regulations, including where it's being raised. There will have to be checks and balances.

SENATOR TOMAC: If we made this revenue neutral, if hemp goes off the list, and if hemp becomes legal, how about having the growers pay fees?

HEITKAMP: That is my vision, that they're not holding down the rest of the state in relation to the profit they're trying to make.

MONSON: I did debate amending this bill to include it in the oil-seed check-off, but thought it was premature. First, we have to get the right to grow it. Even though it's never been made illegal by Congress, the DEA by administrative rules, has been saying it is illegal. My research on Hawaii, etc. indicates if you can show DEA that our state can monitor it, we don't have to monitor it at the federal level. My feeling is that if you want to take the money out of this bill, to get rid of the fiscal note, I don't think that would be a problem. I'm not so sure we're going to need any money in here for the first biennium and, if it would come to pass that the DEA says yes, if you have a law in place for regulating it and licensure, etc. then you can go ahead ND and raise it. I think the farmers would happy to fall under the check-off rules with the other oil seeds to help pay for whatever costs there are and to reimburse the state for that. (tape 2, B, 470)

SENATOR SOLBERG: Representative Monson, you seem pretty confident this is going to happen real quickly. Would this then also include NDSU so they could work with this without any danger?

MONSON: There is a university right now doing studies with it - Indiana. He has one of the few permits in the US to do studies where he raises marijuana and industrial hemp. He is the prime authority on this. I'm sure they're getting their federal funds. I really think if the DEA says yes, if you have a permit, state licensure in place, not just the farmers, but NDSU too, they should be able to fall under the same categories as Indiana.

SENATOR TOMAC: I wasn't referring to an oil-seed check-off. Are you open to an amendment that suggests the Commissioner of Ag or the Attorney General or whoever regulates this, if we find for example, 100 growers out there that are interested, and they agree to a certain check-off, is that okay to keep the concept alive if it's the fiscal note we're concerned about?

MONSON: I think, as a farmer, I'd try it because of the high rate of return.

HEITKAMP: I would much rather see it based on the number of acres of hemp you put in rather than based on oil seed. I think it is fair that if you're going to raise it, you should pay the cost of what it costs the state.

SENATOR ST. AUBYN: Where in this bill does it indicate that it is illegal to grow industrial hemp?

HEITKAMP: There'll be no offer of a license unless we're legal to do it. There'll be no way of setting it up unless it is legal.

JERRY KEMMET: BCI, Attorney General's Office. In terms of the fiscal note, we were looking at FTE's that would be necessary to monitor it. There will be problems in terms of individuals sneaking onto property, interspersing marijuana among the hemp, as well as cross-pollination.

JUDY CARLSON: State Agriculture Department to present a letter on behalf of John Leppert, Noxious Weeds Specialist (attachment #2A) with accompanying letters from Roger Johnson, Commissioner of Agriculture (1B) and Rodney Lym, Professor, Department of Plant Sciences, NDSU (1C)

SENATOR BOWMAN: Have we done any studies to determine the long-term marketability of hemp or will it be like the ostriches where they paid high fees to get into the business and now have to give them away?

CARLSON: I'm not aware of any.

RON STEWART: Valley City, presented testimony noting hemp is not the same as marijuana (testimony attached #3)

SENATOR NETHING: Appointed a subcommittee on HB 1428: Senator St. Aubyn, Chair; Senator Bowman, Senator Solberg, Senator Krauter, and Senator Tomac, and closed the hearing on engrossed HB 1428. (tape 1620)

3/29/99 tape 1, A, 2300-3375

SENATOR NETHING: Opened the hearing on engrossed HB 1428, and called for the amendments.

SENATOR SOLBERG: Presented the amendments 90606.0204 and moved do pass.

SENATOR HOLMBERG: Seconded the motion.

ROLL CALL: Unanimous voice vote to do pass amendments to HB 1428.

SENATOR SOLBERG: Moved do pass engrossed HB 1428 as amended.

SENATOR TOMAC: Seconded the motion.

ROLL CALL: 14 yeas; 0 nays; 0 absent & not voting.

CARRIER OF AMENDMENTS: Senator Solberg

CARRIER OF HB 1428: Senator Mathern

90606.0202
Title. , 0400

Prepared by the Legislative Council staff for
Senator Tomac
March 15, 1999

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1428

Page 2, line 13, after the underscored period insert "The commissioner shall establish a fee that must be paid by each licensee to provide sufficient funds to pay costs associated with monitoring and testing industrial hemp in the state. Collections from this fee must be deposited in the attorney general's operating fund."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

SENATE - This amendment requires the Agriculture Commissioner to charge a fee to each licensed industrial hemp grower in the state that will generate sufficient funding to provide for the costs of the Attorney General's office associated with monitoring and testing industrial hemp being grown in the state. Collections from the fee will be deposited in the Attorney General's operating fund.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1428

Page 1, line 15, replace "The" with "Except for employees of the agricultural experiment station or the North Dakota state university extension service involved in research and extension related activities, the"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

SENATE - This amendment exempts employees of the Agricultural Experiment Station and the NDSU Extension Service that may be involved in conducting hemp research from the requirement of a criminal background check.

Date: 3/29/99
Roll Call Vote #: _____

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1428

Senate APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

✓ Legislative Council Amendment Number 90606.0202 & 90606.0203

Action Taken DO PASS

Motion Made By Senator Solberg Seconded By Senator Holmberg

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman					
Senator Naaden, Vice Chairman					
Senator Solberg					
Senator Lindaas					
Senator Tallackson					
Senator Tomac					
Senator Robinson					
Senator Krauter					
Senator St. Aubyn					
Senator Grindberg					
Senator Holmberg					
Senator Kringstad					
Senator Bowman					
Senator Andrist					

Total VOICE VOTE UNANIMOUS (Yes) _____ No _____

Absent _____

Floor Assignment Senator Solberg

If the vote is on an amendment, briefly indicate intent:

Date: 3/29/99
Roll Call Vote #: _____

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1428

Senate APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

✓ Legislative Council Amendment Number 90606.0202 & 90606.0203

Action Taken DO PASS AS AMENDED

Motion Made By Senator Solberg Seconded By Senator TOMAC

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman	✓				
Senator Naaden, Vice Chairman	✓				
Senator Solberg	✓				
Senator Lindaas	✓				
Senator Tallackson	✓				
Senator Tomac	✓				
Senator Robinson	✓				
Senator Krauter	✓				
Senator St. Aubyn	✓				
Senator Grindberg	✓				
Senator Holmberg	✓				
Senator Kringstad	✓				
Senator Bowman	✓				
Senator Andrist	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Senator D. MATHERN

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1428, as engrossed and amended: Appropriations Committee (Sen. Nething, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1428, as amended, was placed on the Sixth order on the calendar.

In addition to the amendments adopted by the Senate as printed on page 575 of the Senate Journal, Engrossed House Bill No. 1428 is further amended as follows:

Page 1, line 15, replace "The" with "Except for employees of the agricultural experiment station or the North Dakota state university extension service involved in research and extension related activities, the"

Page 2, line 13, after the underscored period insert "The commissioner shall establish a fee that must be paid by each licensee to provide sufficient funds to pay costs associated with monitoring and testing industrial hemp in the state. Collections from this fee must be deposited in the attorney general's operating fund."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

SENATE - This amendment exempts employees of the Agricultural Experiment Station and the NDSU Extension Service that may be involved in conducting hemp research from the requirement of a criminal background check.

This amendment also requires the Agriculture Commissioner to charge a fee to each licensed industrial hemp grower in the state that will generate sufficient funding to provide for the costs of the Attorney General's office associated with monitoring and testing industrial hemp being grown in the state. Collections from the fee will be deposited in the Attorney General's operating fund.

1999 HOUSE AGRICULTURE

HB 1428

CONFERENCE COMMITTEE

2

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1428-conf

House Agriculture Committee

Conference Committee

Hearing Date 4-6-99

Tape Number	Side A	Side B	Meter #
One HB 1428-conf	x		0.0 to 30.0
Committee Clerk Signature <i>Arin Hanson</i>			

Minutes: Roll call.. Rep D.Johnson, Rep Brandenburg, Rep Warner, Sen Wanzek, Sen Urlacher, Sen Kinnoin.

Conference committee on HB 1428

Sen Wanzek: We are going to need money to police the efforts to insure state law compliance with the Federal statues. Need to monitor the crops in the field more so then other crops in order to insure that no illegal marijuana is planted in it by design. I'm a little uneasy because he didn't appoint someone to the conference committee more in favor of need for money.

Sen Urlacher: Unknown need for money right now.

Rep Johnson: We don't know to what extent this will take in the need for money. It's not right to hit such a small # of grower (10 to 20) for the amount they are requesting.

Rep Brandenburg: The farming situation I'm in would like to try this crop but not if its going to cost \$25,000. per user for policing the project.

Sen Urlacher: There are some unknown factors here that we need to follow up on.

Rep Brandenburg: How do we know what the fiscal note is? The one we have is pure conjecture.

Should this unknown figure be assessed against the farmer trying to start something new.

Sen Wanzek: If we take in the situation farming is in now and here is a legitimate substitute, can't we figure a way to solve the problem without hitting them so hard in the pocket book to get started. If its this dangerous a crop maybe we shouldn't even be ok it. Are we going to access the canola growers, the wheat growers extra for money to police them.

Rep Brandenburg: How did you come up with the \$250,000. figure in the first place.

Jerry Kimitz: Acting director of the bureau. Two agents needed to begin with, one in the west and one in the east to monitor the crop.

Sen Kinnoin: This wouldn't be their only duties would it?

Jerry Kimitz: Other duties would go along with it.

Sen Kinnoin: Maybe the Highway Patrol could assist with this project to begin with.

Jerry Kimitz: Can't intermix duties with other drug duties.

Rep Brandenburg: Maybe the National Guard could help?

Sen Urlacher: How do we get out of the box and get started with this project?

Sen Wanzek: Say we were going to legalize Industrial Hemp today. what next?

Sen Urlacher: Can we figure out a way to have a lesser fiscal note?

Jerry Kimitz: Maybe we could figure out a way to use the deputy sheriff in the counties where it is grown for part time. We'll try to maximize the money you give us.

Sen Wanzek: I don't think it should be the total responsibilities of the producer to pay for monitoring this situation.

Rep Johnson: If only a small # of producers why is the cost so high to monitor the program?

We've tried hard to address the concerns of agriculture around here this session and would like to help them this way if possible. We need to nurture something this and see if it's a viable alternative crop for them to grow.

Sen Wanzek: I don't think it should be the total responsibility of the producer for the oversight on this program.

Jerry Kimitz: If I could get say \$20,000. for overtime and see what we can do for now. This would help get it started.

Sen Wanzek: There are a few farmers (2 or 3) in his area interested and they aren't going to break the law. This is a potential viable crop and hate to see them get discouraged right off the bat.

Rep Warner: One problem is I don't think its as serious of a problem as we are led to believe.

Sen Kinnoin: How can we meld things together and work this out?

Conf committee recessed.

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1428conf-3

House Agriculture Committee

Conference Committee

Hearing Date 4-8-99

Tape Number	Side A	Side B	Meter #
One HB 1428conf	x		0.0 to 16
Committee Clerk Signature <i>Cerlin Hanson</i>			

Minutes: 4:30 pm Conference committee on HB 1428 Rep D. Johnson, Rep Brandenburg, Rep Warner, Sen Wanzek, Sen Urlacher, Sen Kinnoin.

Discussion was held on the merits of the bill and the amendments. Rep Johnson mentioned he thought the fiscal note as presented to them was quite high.

Rep Brandenburg: Contacted the National Guard and they are not interested in getting involved with the policing of this project.

Rep Warner: Its to late in the growing season before this becomes law Aug 1st so just have to worry about one year and in the beginning there won't be many so don't need much money.

Maybe we could access each grower \$5 per acre with a cap of \$100.

Sen Wanzek:

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1428 conf-4

House Agriculture Committee

Conference Committee

Hearing Date 4-9-99

Tape Number	Side A	Side B	Meter #
Two HB 1428conf-4	x		0.0 to 5.0
Committee Clerk Signature <i>Cheri Hansen</i>			

Minutes:

Conference committee on HB 1428. Roll taken, Sen Wanzek, Rep Johnson, Sen Urlacher, Rep Warner, Sen Kinnoin, Rep Brandenburg

Rep Johnson: Need a small amendment to authorize the Atty Gen office to spend the money taken in from producers to monitor the Industrial Hemp crop to prevent the Marajauna growers from inter planting their drug plant in with the Hemp crop.

Jerry Kimitz: Wants an amendment so money can be spent for specific needs of enforcement. He felt that as the bill now written the money would go into the Atty General general fund and not be used for enforcement.

Sen Wanzek moved to further amend HB 1428. Second by Rep Warner Motion carried. This amendment would put the money in a line item and could only be spent for the Enforcement of this law. Motion carried. Motion to dissolve the conf committee on HB 1428 carried

PROPOSED AMMENDMENT TO HOUSE BILL NO. 1428

Page 2, line 24, replace "absinthim" with "absinthium"

(Bill Number) HB 1428 (, as (re)engrossed):

Your Conference Committee

For the Senate:			For the House:		
	Yes	No		Yes	No
Sen Wanzek			4 1 Present X X	Rep D. Johnson	4 7 Present X X
Sen Urlacher			X X	Rep Brandenburg	X X
Sen Kinnoin			X	Rep Warner	X X

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)
723/724 725/726 S724/H726 S723/H725
the (Senate/House) amendments on (SJ/HJ) page(s) _____ - _____

and place _____ on the Seventh order.
727

, adopt (further) amendments as follows, and place
_____ on the Seventh order:

having been unable to agree, recommends that the committee be discharged
and a new committee be appointed. 690/515

((Re)Engrossed) _____ was placed on the Seventh order of business on the
calendar.

DATE: 4 / 06 / 99

CARRIER: _____

LC NO. _____ . _____ of amendment

LC NO. _____ . _____ of engrossment

Emergency clause added or deleted _____

Statement of purpose of amendment _____

(1) LC (2) LC (3) DESK (4) COMM.

(Bill Number) HB 1428 (, as (re)engrossed):

Your Conference Committee

For the Senate:			4-8	For the House:			4-8
	Yes	No	Present		Yes	No	Present
Sen Wanzek	X		X	Rep D. Johnson	X		X
Sen Urlacher	X		X	Rep Brandenburg	X		X
Sen Kinnoin	X		X	Rep Warner	X		X

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)
723/724 725/726 S724/H726 S723/H725
the (Senate/House) amendments on (SJ/HJ) page(s) _____

and place _____ on the Seventh order.
727

, adopt (further) amendments as follows, and place
_____ on the Seventh order:

having been unable to agree, recommends that the committee be discharged
and a new committee be appointed. 690/515

((Re)Engrossed) _____ was placed on the Seventh order of business on the
calendar.

DATE: 4 / 06 / 99

CARRIER: _____

LC NO. _____ of amendment

LC NO. _____ of engrossment

Emergency clause added or deleted _____

Statement of purpose of amendment _____

(1) LC (2) LC (3) DESK (4) COMM.

REPORT OF CONFERENCE COMMITTEE

HB 1428, as engrossed: Your conference committee (Sens. Wanzek, Urlacher, Kinnoin and Reps. D. Johnson, Brandenburg, Warner) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1074, adopt amendments as follows, and place HB 1428 on the Seventh order:

That the Senate recede from its amendments as printed on page 1074 of the House Journal and page 575 and page 946 of the Senate Journal and that Engrossed House Bill No. 1428 be amended as follows:

Page 1, line 15, replace "The" with "Except for employees of the agricultural experiment station or the North Dakota state university extension service involved in research and extension related activities, the"

Page 2, line 13, after the underscored period insert "To provide sufficient funds to pay costs associated with monitoring and testing industrial hemp in the state, the commissioner shall asses 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 attorney general's operating fund."

Page 2, line 24, overstrike "absinthim" and insert immediately thereafter "absinthium"

Re-number accordingly

Engrossed HB 1428 was placed on the Seventh order of business on the calendar.

(Bill Number) HB 1428 (, as (re)engrossed):

Your Conference Committee

For the Senate:

	Yes	No
Sen Wanzek	X	
Sen Urlacher	X	
Sen Kinnoin	X	

4-8-99 For the House:

	Present	Yes	No	Present
Rep D. Johnson	X	X		X
Rep Brandenburg	XX	X		X
Rep Warner	XX	X		X

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from) the (Senate/House) amendments on (SJ/HJ) page(s) _____ - _____

and place _____ on the Seventh order.

, ~~adopt~~ (further) amendments as follows, and place _____ on the Seventh order:

having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: 4 / 08 / 99

CARRIER: _____

LC NO. _____ of amendment

LC NO. _____ of engrossment

Emergency clause added or deleted _____

Statement of purpose of amendment _____

(1) LC (2) LC (3) DESK (4) COMM.

REPORT OF CONFERENCE COMMITTEE

HB 1428, as engrossed: Your conference committee (Sens. Wanzek, Urlacher, Kinnoin and Reps. D. Johnson, Brandenburg, Warner) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1074, adopt amendments as follows, and place HB 1428 on the Seventh order:

That the Senate recede from its amendments as printed on page 1074 of the House Journal and page 575 and page 946 of the Senate Journal and that Engrossed House Bill No. 1428 be amended as follows:

Page 1, line 1, remove the first "and"

Page 1, line 3, after "seeds" insert "; and to provide a continuing appropriation"

Page 1, line 10, after "requirements" insert "- Continuing appropriation"

Page 1, line 15, replace "The" with "Except for employees of the agricultural experiment station or the North Dakota state university extension service involved in research and extension related activities, the"

Page 2, line 13, after the underscored period insert "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 attorney general's operating fund and are hereby appropriated to the attorney general to be used to enforce sections 1 and 2 of this Act."

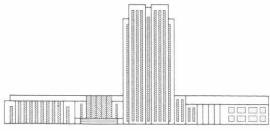
Page 2, line 24, overstrike "absinthim" and insert immediately thereafter "absinthium"

Renumber accordingly

Engrossed HB 1428 was placed on the Seventh order of business on the calendar.

1999 TESTIMONY

HB 1428



Representative David Monson
District 10
P.O. Box 8
Osnabrock, ND 58269-0008

NORTH DAKOTA HOUSE OF REPRESENTATIVES

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Assistant House
Majority Leader
COMMITTEES:
Appropriations

TESTIMONY ON HB 1428

PRESENTED BY REPRESENTATIVE DAVID MONSON

FEBRUARY 4, 1999

Mr. Chairman and members of the House Agriculture Committee. For the record my name is Representative David Monson from District 10.

HB 1428 is a bill to legitimize the agricultural production of industrial hemp in ND. Further, it would legalize the importation of industrial hemp seed and plant material that could be crushed into oil or processed into fiber and other materials. It would allow us to import seed that is certified to be .3% or less THC that could be planted in our farmers' fields. Once it is raised and harvested, it would allow us to export that product as well. In short, if this bill were to become law, it would make industrial hemp as legal in ND as any other oil or fiber crop.

I do have a proposed amendment to the bill. I did not intend to put this in the bill at the start since I don't feel we should have to take extraordinary measures to raise a legitimate crop. However, without the amendment, it may slow up the process whereby ND farmers could plant industrial hemp if our Federal Government follows the lead of Canada. The amendment I have had drawn up basically mirrors the requirements Canadian farmers go through to raise industrial hemp. I feel the requirements are not justified, but I, as a farmer, could live with them.

You already have my information that I handed out when I testified on HB 1256. The NDSU study and the results of one year of production, 10 miles north of my legislative district, show that some extraordinary measures to be able to grow industrial hemp could be rewarded with great financial success.

I fully expect some opponents of the bill will insist that these amendments be placed on the bill. I expect that they would still oppose it. However, if the amendments are adopted, it would protect our farmers from having their land seized and they being thrown in jail without due process. The burden of proof, if plants with THC content of greater than .3% are found in a field, would be upon the law officers. If the farmer shows proof that his seed was certified to be of a variety with .3% THC or less and purchased from a legitimate source, he could not be in trouble. It would have to be proven that he purposely planted seeds high in THC with plans to sell or use the produce as marijuana before he would be in trouble with this law.

In summary, I want to point out that this bill made into law would not in and of itself begin an industrial hemp industry in ND. It would most likely take some Federal action on behalf of Congress to once again make a distinction between industrial hemp and marijuana. However, with this law in place in ND, we would be positioned to raise industrial hemp immediately upon Federal action. Therefore, I urge your favorable consideration for a DO PASS recommendation on HB 1428 as amended.

Requires the University of Hawaii at Hilo to study the feasibility and desirability of industrial hemp production in Hawaii. Establishes the Hawaii Strategic Industrial Hemp Development Act of 1999.

HOUSE OF REPRESENTATIVES

H.B. NO.32

TWENTIETH LEGISLATURE, 1999

STATE OF HAWAII

A BILL FOR AN ACT RELATING TO AGRICULTURE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that diversified agriculture has surpassed sugar (unprocessed cane) and pineapple (fresh equivalent) in terms of their combined form value since 1992, even though the total acreage planted in diversified agriculture is a mere fraction of the total acreage planted in sugar and pineapple. The legislature also finds that Governor Benjamin Cayetano announced his support of industrial hemp in the fall of 1998 and stated that the legalization of industrial hemp would help Hawaii's agricultural industry. Industrial hemp is an environmentally friendly, renewable natural resource for the manufacture of fiber, building materials (such as roofing, flooring, and wallboard), pulp, paper, oil, paints, sealants, fuel, and food. Industrial hemp fiber can be manufactured to produce fine linen and durable work cloth, as well as heavy canvas, twine, cordage, and rope. In addition, industrial hemp can be grown for its seeds, which can be sold to other industrial hemp growers or made into healthy and nutritious food products for human beings and farm animals. Industrial hemp can be grown also as a rotation crop to control weeds and plant pests (such as the soybean cyst nematode) and to loosen the earth for subsequent crops. Because it helps to control weeds and plant pests, industrial hemp does not require herbicides and pesticides.

In 1942, the United States Department of Agriculture carried out a nationwide effort to encourage farmers to grow industrial hemp for the war effort, which resulted in thirty-six thousand acres being planted in seed hemp that year. The U.S. Department of Agriculture also promoted industrial hemp as producing four times more pulp than trees for paper production. In 1994, President Clinton designated industrial hemp as a strategic food source.

There are more than two dozen strains of industrial hemp that can be used for fiber and fuel production and that contain low percentages of tetrahydrocannabinols (THC), the mind-altering compound found in marijuana. Several foreign countries, including Australia, Canada,

England, France, and Germany, currently allow agricultural production of industrial hemp in all or part of their countries. In the United States, a pilot project for agricultural research on industrial hemp has been carried out with official government permission in Imperial Valley, California. The growing of industrial hemp in the United States is allowed only by federal permit, and currently three states have permits pending to grow industrial hemp in their jurisdictions.

Although marijuana is the most, or one of the most, widely misused drugs in Germany and England (excluding alcohol), the illegal diversion or theft of industrial hemp has not resulted in serious law enforcement problems in either of these countries. Germany does not require a license or security measures while England requires farmers to be licensed and to plant industrial hemp fields where there is poor public access and visibility. Based on seven years of combined experience in Germany and England with the growing and selling of industrial hemp under widely differing regulatory conditions, the legislature believes that the illegal diversion or theft of industrial hemp will not be a serious law enforcement problem in either Hawaii or the United States.

Canada, which is a signatory of the United Nation's Single Convention on Narcotic Drugs, recently adopted regulations controlling the activities relating to the importation, exportation, possession, production (including cultivation, breeding, and processing), distribution (including sale, offering for sale, provision, transport, sending, and delivering), and testing/assaying of industrial hemp. As of June 30, 1998, two hundred fifty-one commercial cultivation licenses (accounting for 5,930 acres of land), five importation licenses, five exportation licenses, fourteen processing licenses, fourteen distribution licenses, six breeding licenses, one seed testing license, and three THC testing licenses have been granted by the Canadian government since the adoption of the foregoing regulations.

The legislature finds that industrial hemp is being used throughout the industrialized world to manufacture such building materials as caulking, cement, fiberboard, flooring, insulation, paint, paneling, particle board, plaster, plywood, reinforced concrete, and roofing. Not only does hemp replace the need for wood, bricks, and fiberglass insulation, but the hardened material is moisture-, rot-, rodent-, insect-, and fire-resistant. It is also many times lighter than cement, sets in a couple of hours, and provides both thermal and sound insulation.

Because of its superior strength and flexibility, which gives it the ability to resist stress-induced cracking and breaking, hemp-reinforced building materials are useful in areas that are susceptible to earthquakes, tornadoes, and hurricanes, such as the Hawaiian islands. Fiberboard made from hemp is twice as strong and three times more elastic than fiberboard made from wood. Although it is used presently as a supplement to wood-based fiberboard because of its superior strength, hemp composites may eventually replace their wooden counterparts.

Hemp seed oil is being used to manufacture a very durable, long-lasting house paint that renders wood highly resistant to water,

and is non-toxic to human beings unlike the volatile petroleum products and synthetic chemicals used presently to manufacture other paints. When treated with more traditional building materials such as bitumen (a substance similar to tar or asphalt), industrial hemp can be manufactured into a pourable type of floor insulation that hardens into a solid mass that will not shift under pressure. Hemp fiber concrete pipes cost less than one-third the price of conventional polypropylene (a material similar to plastic) reinforced concrete pipes, and have greater flexibility, elasticity, and resistance to cracking than conventional petrochemical reinforced concrete pipes.

The processing of industrial hemp into building materials that are suited to environmental conditions found along the Pacific Rim would provide a great boost to Hawaii's construction and manufacturing industries since insects, hurricanes, and earthquakes are responsible for millions of dollars in property.

The legislature finds that biomass produced from plant growth has a heating value of five thousand to eight thousand BTU per pound, with virtually no ash or sulphur produced during combustion. About six per cent of contiguous United States land area put into biomass cultivation could supply all current domestic demands for oil and gas. Industrial hemp is the number one biomass producer on planet earth: ten tons per acre in approximately four months. It is a woody plant containing seventy-seven per cent cellulose; in comparison, wood produces sixty per cent cellulose.

Corn, sugarcane, and kenaf are the plants most often used to produce alternative fuels because they grow so much in a single season that they produce a great deal of biomass to be refined and processed into methane, methanol, or ethanol. But, they are still more expensive than petroleum-based fuels. Industrial hemp is the world's champion photosynthesizer. It converts the sun's energy into biomass more efficiently than any other plant, with at least four times the biomass/cellulose potential and eight times the methanol potential of corn. It could compete economically with petroleum-based fuels.

When coal and oil are burned, they release pollutants -- including sulphur -- into the atmosphere. Biomass fuels release fewer pollutants, and the fuel source spends the growing season removing carbon dioxide from the atmosphere through photosynthesis. Biomass fuels contain no sulphur. The burning of coal and oil deposits are the greatest artificial sources of "acid rain" on the planet; and the accumulation of excess carbon dioxide and water vapor in the earth's atmosphere could eventually bring about global climatic changes through the "greenhouse effect".

Industrial hemp is capable of growing in all climatic zones in America, including Hawaii. It would not compete with food crops for the most productive farm land, and it could be grown in rotation with food crops or on marginal farm land where food crop production is not profitable.

The legislature finds that because of their inability to be mechanically shredded without constantly clogging the machinery, large rolls of used carpeting cannot be burned in the city and county of

Honolulu's H-POWER plant and must be buried in one of the two remaining landfills on the island of Oahu. Although modern carpeting is comprised of nylon, polyester, polypropylene, and other synthetic fibers to reduce its cost and increase its durability, the inherent properties of these materials also render used carpeting resistant to biodegradation once it is buried in a landfill. Polyester and other synthetics are based on petroleum, the drilling, shipping, refining, processing of which have resulted in contaminated underground sources of drinking water, the contamination of nearshore fisheries, air pollution, and occupational exposure to carcinogens.

While used carpeting is environmentally benign, it does take up limited landfill space; for example, in 1993 it was estimated that one per cent of all municipal solid waste in the United States by weight and two per cent of all municipal waste by volume consisted of post-consumer carpet. Industrial hemp carpeting is biodegradable and can be composted instead of landfilled; is manufactured from a renewable resource that will never exhaust itself; and is environmentally friendly and comprised of materials that are not toxic to human beings and other life forms. Although industrial hemp carpeting is strong and durable, it can be composted and used to enrich (fertilize) fields, lawns, gardens, and planters in a manner that does not contribute to groundwater pollution; and coastal water, lake, and stream pollution.

The legislature finds that hemp seed oil: (1) Is reputed to be a highly nutritious, essential hair and skin aid for promoting growth and slowing the aging process; (2) Is reputed to be an excellent healing and moisturizing process for broken and damaged skin, which may be particularly useful for sufferers of eczema, psoriasis, and mastalgia (breast pain); and (3) Is reputed to be the highest natural carrier of the combination of essential fatty acids "linoleic", "linolenic", and "gamma-linolenic", and provides the 3- to-1 ratio of linoleic acid to linolenic acid that has been claimed by nutritionally-oriented doctors to be the optimum balance for human health.

Essential fatty acids are compounds that, by definition, must be obtained through the diet for the proper growth and functioning of the human body. They form other compounds that help organ muscles to contract, regulate stomach acid, lower blood pressure, and regulate temperature. They also aid in fat transport and metabolism. Essential fatty acids are necessary for the normal functioning of the reproductive system, hormone regulation, and for breaking up cholesterol deposits in the arteries. A deficiency of essential fatty acids causes changes in cell structure that can result in brittle and dull hair, nail problems, dandruff, allergies, and dermatitis.

Hemp seed oil extracted from government-approved strains of industrial hemp have very low levels of tetrahydrocannabinol -- somewhere around 8 parts per million (8 ppm) for refined oil and 21 parts per million (21 ppm) for natural oil. Consequently, it is not possible to "get high" on hemp seed oil.

The legislature further finds that soil erosion control blankets made from industrial hemp: (1) Can absorb and dissipate the tremendous amount of energy released by falling rain and running water, which in

turn can help to protect fertilizer and soil while keeping seeds in place; (2) Can slow down the surface movement (velocity) of runoff water with minimum disturbance to the soil underneath the blanket and can absorb moisture for release to the soil after a runoff event; (3) Can moderate extreme diurnal variations in soil temperatures and can conserve moisture in the soil to nurture the growth of emerging vegetative cover during its most vulnerable period; (4) Can promote the development of fertile grasslands and can contribute to good soil health by gradually decomposing into a rich organic mulch when they are no longer needed for erosion control; and (5) Can reduce the loss of soft, loose topsoil to constant windy conditions and can prevent the undesirable exposure of hardpan, which is resistant to natural vegetative growth and cultivation. Soil erosion control blankets made from coconut husk (coir) fibers have been recommended successfully by the Natural Resources Conservation Service in Kona on the island of Hawaii to reduce soil erosion caused by ephemeral (intermittent) streams.

SECTION 2. This Act shall be known and may be cited as the "Hawaii Strategic Industrial Hemp Development Act of 1999".

SECTION 3. As used in this Act, unless the context clearly requires otherwise: "Industrial hemp" means any variety of *Cannabis sativa* L. with a delta-9 tetrahydrocannabinol concentration that does not exceed one per cent on a dry weight basis; that meets the standards set forth by Health Canada as of July 1, 1999; and that is grown in compliance with federal and state permit conditions.

SECTION 4. The University of Hawaii at Hilo shall study the feasibility and desirability of industrial hemp production in Hawaii. The study shall include an analysis of required soils and growing conditions; seed availability and varieties, including in-the-ground seed variety trials; harvest methods; market economies; and environmental benefits. The University of Hawaii shall report its findings and recommendations to the legislature not less than twenty days prior to the convening of the regular session of 2001.

SECTION 5. The University of Hawaii at Hilo shall obtain all federal and state permits needed to legally grow industrial hemp for fiber or seed production prior to importing any non-sterilized industrial hemp seeds capable of germination into the State.

SECTION 6. Industrial hemp with a delta-9 tetrahydrocannabinol concentration that does not exceed one per cent on a dry weight basis; that meets the standards set forth by Health Canada as of July 1, 1999; and that is grown in compliance with federal and state permit conditions, shall not be construed as "marijuana" under chapter 329, Hawaii Revised Statutes, or chapter 712, Hawaii Revised Statutes. Except as otherwise provided in this Act, in the event of a conflict between this Act and chapter 329, Hawaii Revised Statutes, or chapter

712, Hawaii Revised Statutes, this Act shall control. In the event of a conflict between a standard set forth by Health Canada as of July 1, 1999, and any federal or state permit condition, the federal or state permit condition shall control.

SECTION 7. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000, or so much thereof as may be necessary for fiscal year 1999-2000, for the University of Hawaii at Hilo to carry out the purposes of this Act; provided that not more than ten per cent of the sum appropriated by this Act may be expended by the University of Hawaii at Hilo until all federal and state permits needed to legally grow industrial hemp for fiber or seed production are obtained. The sum appropriated shall be expended by the University of Hawaii.

SECTION 8. If any provision of this Act, or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 9. This Act shall take effect on July 1, 1999, and shall be repealed on June 30, 2001.

INTRODUCED BY: _____

For more information contact:

Rep. Cynthia Thielen

State Capital Building

Room 443

Honolulu, HI 96817

(808) 586-6480 capitol

(808) 261-5608 home

(808) 263-3938 fax

e-mail: thielen@aloha.net

COMMISSIONER OF AGRICULTURE
ROGER JOHNSON



PHONE (701) 328-2231
(800) 242-7535
FAX (701) 328-4567

House Bill 1428
4 February 1999
10:00 AM
Peace Garden Room
John Leppert

Testimony before the House Agriculture Committee

Mr. Chairman and members of the committee, my name is John Leppert. I am a noxious weeds specialist in the Plant Services division of the North Dakota Department of Agriculture. I appear in front of this committee in support of House Bill No.1428 and to offer amendments.

In consultation with Dr. Rodney Lym, Plant Sciences Department, North Dakota State University (Attachment 1), Commissioner Roger Johnson has determined (Attachment 2) that hemp (*Cannabis sativa* L.) shall be deleted from the North Dakota State Noxious Weed List, and yellow starthistle (*Centaurea solstitialis* L.) shall be added. Under his authority as prescribed in chapter 63-0.1-03.2 and 63-01.1-04.1.3, the Commissioner has begun the rule making process to make these changes.

Therefore, the Commissioner believes the designation within HB 1428 that specific THC (tetrahydrocannabinol) percentage limits for hemp, as it relates to the Noxious Weed Law and chapter 63, are an unnecessary addition to the North Dakota Century Code. Thus he proposes deleting all references to chapter 63 as in the Proposed Amendments (Attachment 3): page 1, lines 1-3, and page 2, lines 4-9.

Since yellow starthistle (*Centaurea solstitialis* L.) is to be added to the Noxious Weed List, it is imperative that it also be added to the Prohibited Noxious Weed Seeds list in chapter 4 of the North Dakota Century Code in order to prevent its further introduction into the state within imported or domestic seed stocks. Dr. Lym stated (Attachment 1), "Yellow starthistle has the potential to quickly spread and could rapidly become the number one weed problem of untilled land in the

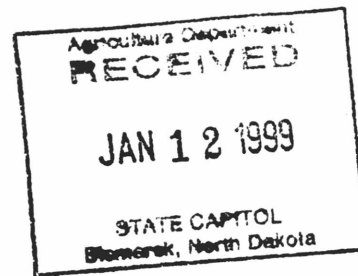
state.” The Proposed Amendment (Attachment 3) adds yellow starthistle on page 1, line 22.

Lastly, there are some amendments that ought to be undertaken within the noxious weed seeds sections of chapter 4 in order to accurately list the weeds by accepted scientific standards and in order to correct errors that have crept into the North Dakota Century Code. Plant taxonomists designate that the Latin names of species and genera be expressed in a standard manner. Thus the species name is always capitalized, while genera is not, and both species and genera names are to be written in italics. Some of the current entries are incorrect species, while other entries are simply misspelled. The Proposed Amendments (Attachment 3) detail those corrections on page 1, lines 18-22 and on page 2, lines 2-3.

I would be happy to answer any questions. Thank you.

North Dakota State University
 1000 East Hall
 Fargo, North Dakota
 58105-5051

January 11, 1999



Tel. 701.231.7971
 Fax 701.231.8474
 aschneit@plains.nodak.edu

Roger Johnson
 Commissioner of Agriculture
 Department of Agriculture
 600 East Boulevard
 Bismarck, ND 58505

Biotechnology
 Breeding
 Forestry
 Genetics
 Horticulture
 Physiology
 Production
 Weed Science

Dear Commissioner Johnson:

I am writing in regards to the revision of the North Dakota State Noxious Weeds List. I am requesting that three weeds species be removed from the current list and one new weed added. This would result in a total of ten plants on the state noxious weed list.

I suggest the removal of hemp (*Cannabis sativa*), hoary cress (*Cardaria draba*), and perennial sowthistle (*Sonchus arvensis*) from the noxious weed list. Hemp or marijuana has never been a threat to cropland, rangeland or wildland in North Dakota. It was added as an aid in drug enforcement. I do not believe the state noxious weed law should be used in this manner. Also, before hemp could become an agricultural crop in the state as some have proposed, it would need to be removed from the list.

Hoary cress is a very minor weed in the state, and I have never had any indication that it would become wide spread. In the 1997 state survey there were 262 acres of hoary cress reported in North Dakota, compared to 8,235 acres (an obvious over estimate) in 1992. I have had only one phone call asking how to control it in nearly 20 years.

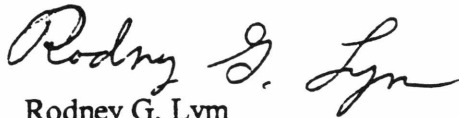
The removal of perennial sowthistle is a harder decision to make. It was the first plant ever declared noxious in North Dakota. During the wet years of the 1940's perennial sowthistle was a problematic cropland weed, especially in the northeast corner of the state. However, with the advent of herbicides and changes in cropping practices, this plant has become just another weed that occasionally interferes with crop production, not a widespread economic threat. With the recent wet years sowthistle has become more prevalent, but most of the plants people see are the annual weeds, annual sowthistle and spiny sowthistle, not the state-listed perennial sowthistle.

I suggest that yellow starthistle (*Centaurea solstitialis*) be added to the North Dakota Noxious Weed list. This plant was first discovered in the state in Beach in 1985. The plants were removed and burned. Yellow starthistle had not been reported in the



state again until this past summer of 1998 when several hundred acres were found in CRP in Kidder County. Yellow starthistle has the potential to quickly spread and could rapidly become the number one weed problem of untilled land in the state. Yellow starthistle heavily infests non-cropland in the Pacific Northwest states and most of California. It is the only noxious weed I am aware of that has become resistant to some herbicides (Tordon in Idaho). Yellow starthistle spreads by seed and is rather easy to control when it first becomes established. However, because it is a prolific seed producer a few acres can become several hundred acres in a very short time. Thus, rapid action to contain and control this weed now will prevent thousands of acres from becoming infested in the near future.

Sincerely,



Rodney G. Lym
Professor

copy Dr. Schneiter
John Leppert

COMMISSIONER OF AGRICULTURE
ROGER JOHNSON



PHONE (701) 328-2231
(800) 242-7535
FAX (701) 328-4567

DEPARTMENT OF AGRICULTURE
State of North Dakota
600 E. Boulevard Ave. Dept. 602
Bismarck, ND 58505-0020

19 January 1999

Rodney G. Lym
Professor, Plant Science Department
P.O. Box 5051
North Dakota State University
Fargo, ND 58105-5051

Dear Dr. Lym:

I am writing in response to your request that three weed species be removed and one new weed be added to the North Dakota State Noxious Weeds List. I concur with your view that hemp (*Cannabis sativa*), hoary cress (*Cardaria draba*), and perennial sowthistle (*Sonchus arvensis*) ought to be removed, and that yellow starthistle (*Centaurea solstitialis*) should be added to the current list of North Dakota State Noxious Weeds.

The North Dakota State House has already proposed legislation (HB1256) relating to the issue of industrial hemp and other legislation may be pending that relate to this subject as well. I concur in your assessment that hemp is in no way threatening to the state's agriculture.

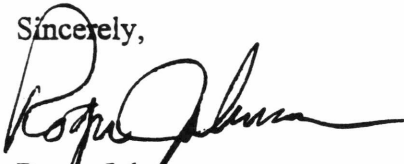
Perennial sowthistle is no longer a statewide economic threat to agriculture, because of the availability of effective herbicides, and the amount of hoary cress present in the state's farmland is minimal and appears not to be spreading. Consequently, there are no good reasons for continuing to designate them as being *noxious*.

The discovery of yellow starthistle in Kidder County last summer is very worrisome indeed. Its ability to spread rapidly and your characterization that it could "become the number one weed problem of untilled land in the state" make it imperative that it be added to the State Noxious Weed List. Producers and landowners must eradicate this terrible threat to the state's agricultural base as quickly as possible.

Therefore, based on your recommendation, I shall begin the rule making process to make these changes to the North Dakota State Noxious Weed List as part of chapter 63-01.1 of the North Dakota Century Code.

Thank you for your efforts on behalf of North Dakota agriculture and for your assistance in making this determination.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Johnson", with a long horizontal flourish extending to the right.

Roger Johnson
Commissioner

RJ:jl

Testimony in favor of HB 1428
Senate Agriculture Committee
Prepared by Representative David Monson
Thursday, February 25, 1999

Mr. Chairman and Members of the Senate Agriculture Committee. For the record, I am Representative David Monson, District 10, in the Northeast corner of North Dakota.

HB 1428 is one of three bills promoting industrial hemp production in North Dakota that I have introduced this session. This bill does several things: First of all, it specifies that industrial hemp is considered an oil seed crop as it is in most of the rest of the world. Secondly, it promotes not only the growing of industrial hemp in North Dakota, and indeed, all of the United States; but it promotes the value-added industry that goes along with the raising of industrial hemp as well. Thirdly, it removes industrial hemp (*Cannabis sativa* of .3% THC or less) from the list of noxious weeds. HB 1256 does this as well, and the North Dakota Agricultural Commissioner is presently doing this, I understand, by directive.

Currently, Canadian farmers are raising industrial hemp with much success. Ten miles north of my legislative district, a friend of mine raised his first crop of twenty-two acres of industrial hemp last year. I have the results of his success as part of my testimony. His profit of \$386 per acre is virtually unheard of in most of North Dakota. He has rocky soil, scab in his wheat and barley, and few options to make money, just like most farmers in my areas. Why can't we farmers in North Dakota raise industrial hemp? Because an agency of the Federal Government has declared war on any plant that looks like marijuana. Congress never intended to make industrial hemp production illegal in 1938 when it distinguished marijuana as an illegal drug. This bill would open the door for our farmers to once again raise industrial hemp. It would allow us to raise a crop with great profit potential. It would give us a new crop for our rotation. It would provide the raw materials to promote many value-added industries in North Dakota such as oil seed crushing, fiber production, textile plants, and many more, too numerous to mention. It would improve the environment and slow the deforestation of the earth, too.

In summary, this bill is a way to start to put profit back into farming in North Dakota. It is a way to try to get us on an equal standing with other farmers all over the world. Can we afford to let the Canadians get the jump on us again? Why do we spend millions of dollars to spray a weed that is a possible bonanza to the economy of North Dakota? We have to join the seven other states with industrial hemp legislation this year and send a united voice to Congress that they have to address this issue as well. I urge your support of HB 1428 and would be glad to answer any questions you may have.



McElroy Seed Farm

Box 70

Darlingford, MB R0G 0L0

Phone: 204-246-2193 q Toll Free: 1-888-623-5769

Fax : 204-246-2145 q E-Mail: bmcelroy@mb.sympatico.ca

Field Preparation

- ✦ We cultivated and harrowed the field twice

Planting

- ✦ Double disc drills or airseeders
- ✦ Seeding rates vary from 20 lbs to 60 lbs per acre. Fibre only crops require higher seeding rates.
- ✦ We used a double disc drill and sowed 20 lbs per acre.

Fertilizer

- ✦ We used a liquid blend of 100-45-20-20.

Spraying

- ✦ Right now there are no registered chemicals that can be used on hemp.

Harvesting

- ✦ We used a 9600 John Deere with a 30 foot straight cut header. We moved the bat reel ahead as far as possible, and generally, kept the header as high as possible. All broken knives and guards were replaced before commencing with combining. Knives in the cutting bar have to be sharp.
- ✦ Cylinder speed was set at 700 rpm and the concaves were 50 % closed.
- ✦ Straight cutting works best. We harvested at 30% to 35% moisture content.



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Fax : 204-246-2145 q E-Mail: bmcelroy@mb.sympatico.ca

Harvesting (con't)

- ⌘ Combine when 70% of the seed on the plant turns a marble grey colour.
- ⌘ The plant ripens from the bottom up, so shattering can be a concern.

Drying

- ⌘ A Farm Fan auto batch dryer was used at low heat (not over 104 degrees Fahrenheit) to bring moisture down to 9% to 12%. These moistures are stable for storage.

Diseases

- ⌘ White mold can affect hemp plants

Insects

- ⌘ Corn bore
- ⌘ Bertha Army Worm

Brian McElroy - 21 acres Hemp ~~21 acres~~ ed to 21 acres of Canola

	Hemp \$ / field	My Farm \$ / acre	Canola \$ / field	\$ / acre	
Seed	\$1,827.50	\$79.46	\$420.00	\$20.00	
Fertilizer (includes floater)	\$1,226.25	\$58.25	\$1,226.25	\$58.25	100-45-20-20
Chemicals	\$0.00	\$0.00	\$1,405.11	\$66.91	*Ronilan & Appl. \$ 28.41
Machinery Operating Costs	\$1,352.82	\$64.42	\$1,352.82	\$64.42	Muster \$ 19.50
Crop / Hail Insurance	\$0.00	\$0.00	\$151.20	\$7.20	Assure \$ 19.00
Land Taxes	\$118.65	\$5.65	\$118.65	\$5.65	\$66.91
Licensing Fee	\$0.00	\$0.00			
Sampling & Analytical Fees	\$0.00	\$0.00			
Drying Costs	\$294.00	\$14.00			
Cleaning Cost	\$471.66	\$22.46			
Land Investment	\$367.50	\$17.50	\$367.50	\$17.50	
Storage Cost	44.94	\$2.14			
Labour	\$315.00	\$15.00	\$315.00	\$15.00	
Total Expenses		\$278.88		\$188.02	
Yield					
Based on 21,930 lb 9% moisture	\$12,929.93	\$615.71	\$5,880.00	\$280.00	35 bushels @ \$ 8.00 / bushel
Paid to me @ \$.5896 / pound					
Fibre					
** nothing has been paid, but project 2.5 mt @ \$ 20.00 / mt	\$1,050.00	\$50.00			
Total Income		\$665.71			
Profit		\$386.83		\$25.07	

COMMISSIONER OF AGRICULTURE
ROGER JOHNSON



PHONE (701) 328-2231
(800) 242-7535
FAX (701) 328-4567

House Bill 1428
25 February 1999
9:00 AM
Roosevelt Park Room
John Leppert

Testimony before the Senate Agriculture Committee

Mr. Chairman and members of the committee, my name is John Leppert. I am a noxious weeds specialist in the Plant Services division of the North Dakota Department of Agriculture. I appear in front of this committee in support of House Bill No.1428 and to offer an amendment.

Commissioner Roger Johnson supports the amendments to HB 1428 which remove industrial hemp and add yellow starthistle to the noxious weeds seed list of chapter 4 of the North Dakota Century Code.

In consultation with Dr. Rodney Lym, Plant Sciences Department, North Dakota State University (Attachment 1), Commissioner Johnson has determined (Attachment 2) that hemp (*Cannabis sativa* L.) shall be deleted from the North Dakota State Noxious Weed List, and yellow starthistle (*Centaurea solstitialis* L.) shall be added. Under his authority as prescribed in chapter 63-0.1-03(2) and 63-01.1-04.1(3), the Commissioner has begun the rule making process to make these changes.

The House amended HB 1428 as originally introduced to correct spelling errors in the scientific names of the noxious weeds. However, there was one amendment that was not included, and it appears in the Proposed Amendment (Attachment 3).

I would be happy to answer any questions. Thank you.

HB 1428
3/10/99
Ron Stuart

#3

3-9-99

TO: THE EDITOR

Subject: Hemp not the same as Marijuana

I wish to set the record straight with regard to a controversy which appears to exist regarding the proposed production of industrial hemp as an agricultural crop due to its perceived identification with marijuana, which is a hybrid and used for an entirely different purpose. Some disinformation was promulgated as recently as March 4, 1999 in a conversation between Mr. Jerry Kemmet of the North Dakota State Crime Bureau and talk show host, Ed Schultz on KFGO 790 during his *News & Views* program aired on March 4, 1999.

It was the elitist timber baron and publisher, William Randolph Hearst who stigmatized hemp relegating it to a "controlled substance" in order to protect his timber interests. He realized that hemp production could become a highly competitive product since one acre of hemp could provide the fiber for paper production equal to ten acres of timber. To protect his timber interests, he instigated a bogus and fallacious "drug war" by equating hemp with marijuana, thereby making hemp a forbidden product to be grown or sold.

There are virtually unlimited uses for hemp which is not to be confused with marijuana. Marijuana is a man made hybrid while cannabis (hemp) is a Divinely created, open pollinated, natural, valuable product – God given for mankind's benefit, if properly grown, harvested and used. It would be physically and genetically impossible to grow marijuana outdoors alongside of hemp. Any marijuana plants transplanted outside or in a hemp field, through cross pollination would immediately become hemp (cannabis).

Besides providing an inexpensive material for the manufacturing of paper and a good cash crop for farmers, hemp will provide more ethanol per pound than any grain. The processing of hemp must, however, be kept under the control of farmer/ranchers producers and not given over to the multi-national, vertically and horizontally integrated corporations such as Archer Daniels Midland (ADM), Cargill, Con Agra, Bunge, Dreyfus and Continental who have absolute control of grain markets and the U.S. Department of Agriculture.

It might be noted that the Declaration of Independence was written on hemp paper. It appears that as hemp has gone, so have our freedoms as declared in that Declaration.

I would invite any reader to provide documented studies which would prove the above information to be false or untrue.

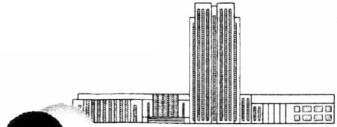
Sincerely,

Ron Stuart – Scottish Sage

HB 1428
3/10/99
David Monson

#1

NORTH DAKOTA HOUSE OF REPRESENTATIVES



Representative David Monson
District 10
P.O. Box 8
Osnabrock, ND 58269-0008

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360

Assistant House
Majority Leader
COMMITTEES:
Appropriations

TESTIMONY ON HB 1428

PRESENTED BY REPRESENTATIVE DAVID MONSON

MARCH 10, 1999

Mr. Chairman and members of the Senate Appropriations Committee. For the record my name is Representative David Monson from District 10.

HB 1428 is a bill to legitimize the agricultural production of industrial hemp in ND. Further, it would legalize the importation of industrial hemp seed and plant material that could be crushed into oil or processed into fiber and other materials. It would allow us to import seed that is certified to be .3% or less THC that could be planted in our farmers' fields. Once it is raised and harvested, it would allow us to export that product as well. In short, if this bill were to become law, it would make industrial hemp as legal in ND as any other oil or fiber crop.

The amendment I had added in the House basically mirrors the requirements Canadian farmers go through to raise industrial hemp. I feel the requirements are not needed, but I, as a farmer, could live with them.

The NDSU study and the results of one year of production, 10 miles north of my legislative district, show that some extraordinary measures to be able to grow industrial hemp could be rewarded with great financial success.

The amended bill protects our farmers from having their land seized and they being thrown in jail without due process. The burden of proof, if plants with THC content of greater than .3% are found in a field, would be upon the law officers. If the farmer shows proof that his seed was certified to be of a variety with .3% THC or less and purchased from a legitimate source, he could not be in trouble. It would have to be proven that he purposely planted seeds high in THC with plans to sell or use the produce as marijuana before he would be in trouble with this law.

In summary, I want to point out that if this bill was made into law it would not in and of itself begin an industrial hemp industry in ND. It would most likely take some Federal action on behalf of Congress to once again make a distinction between industrial hemp and marijuana. However, with this law in place in ND, we would be positioned to raise industrial hemp immediately upon Federal action. Therefore, I urge your favorable consideration for a DO PASS recommendation on HB 1428 as amended.

COMMISSIONER OF AGRICULTURE
ROGER JOHNSON



HB 1428

3/10/99

John Leppert
delivered by Judy Carlson

PHONE (701) 328-2231

(800) 242-7535

FAX (701)

#2A

House Bill 1428
10 March, 1999
2:30 PM
Harvest Room
John Leppert

Testimony before the Senate Appropriations Committee

Mr. Chairman and members of the committee, my name is John Leppert. I am a noxious weeds specialist in the Plant Services division of the North Dakota Department of Agriculture. I appear in front of this committee in support of House Bill No.1428.

After consultation with Dr. Rodney Lym, Plant Sciences Department, North Dakota State University (Attachment 1), Commissioner Johnson has determined (Attachment 2) that hemp (*Cannabis sativa* L.) should be deleted from the North Dakota State Noxious Weed List, and yellow starthistle (*Centaurea solstitialis* L.) should be added. Under his authority as prescribed in chapter 63-0.1-03(2) and 63-01.1-04.1(3), the Commissioner has begun the rule making process to make these changes.

Commissioner Roger Johnson supports removing industrial hemp from the prohibited noxious weed seed list of chapter 4 of the North Dakota Century Code and adding yellow starthistle.

I would be happy to answer any questions. Thank you.