

**2015 HOUSE AGRICULTURE**

**HB 1436**

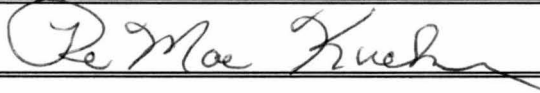
# 2015 HOUSE STANDING COMMITTEE MINUTES

**Agriculture Committee**  
Peace Garden Room, State Capitol

HB 1436  
1/29/2015  
Job #22794

- Subcommittee  
 Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to industrial hemp

## Minutes:

Attachments #1 & 2

**Representative Monson:** Sponsor of the bill (Attachment #1) bringing amendment when it is ready.

**Representative Cynthia Schreiber Beck:** How many acres are grown in North Dakota?

(7:08)

**Representative Monson:** Zero. I have paid \$150 every year for a license. I keep paying because I'm hopeful that some year I will feel confident to plant the ten acres, which is the minimum.

You would be amazed how many people call me from all over the United States on a regular basis asking to buy industrial hemp. I am not ready to plant and trust that I won't get prosecuted by the Drug Enforcement Agency. People are planting the drug with THC high content in California without fear of being prosecuted.

**Representative Dwight Kiefert:** Do you see this as a cash crop?

**Representative Monson:** They did a study a few years back to determine if it is a viable crop. People in Canada are raising industrial hemp and making money. They went overboard for a few years so the price went down. It is not an easy crop to raise or harvest. The people in Canada have worked through it. It is a fiberglass substitute and used for tractor liners in cabs. It can be used in 25,000 different items.

Outside of Winnipeg they had a field. People would come in the middle of the night to snip off leaves along the perimeter of the highway. The next year when they planted nobody touched the plants. They found out it didn't do a thing as a drug.

**Representative Dwight Kiefert:** It would be a specialty crop?

**Representative Monson:** At one time in the United States industrial hemp was 1/3 of all farm crops. There was lots of rope for sailing ships, canvas, and paper. The Declaration of Independence is written on hemp paper. Mostly now it is for organic food products and clothing products.

**Representative Dwight Kiefert:** So the demand isn't as high as it used to be?

**Representative Monson:** The demand will be centered around what uses are out there. I have a sample in my desk drawer that is wood construction that is stronger and lighter than plywood. The glue can be made out of the oil without formaldehyde. It is biodegradable and lasts a long time. If using it for fiber, it has to be processed where it is grown because it is very bulky. We would have added value with a processing plant were we could get it down to the bats. We had a crushing plant in ND that went out of business. We can't get a plant until we can raise it.

**Representative Dwight Kiefert:** We tried to get straw established as a product for plywood.

**Representative Monson:** That plant could be retooled to use industrial hemp. They did research in Minnesota on construction materials and were very impressed with the quality of hemp.

**Chairman Dennis Johnson:** We have had this discussion before and Rep. Monson has been on a long journey. Thank you for trying to bring this to North Dakota.

**Representative Monson:** My enthusiasm has waned after being beaten down over the years.

**Representative Joshua Boschee:** Where is the market for a producer?

**Representative Monson:** Actually here in North Dakota with tractor cabs and the strawboard plant. The west coast is huge. There is a business in Bismarck that imports industrial hemp cloth to make T shirts, etc. When we started this process, labor in North Dakota was cheap. The region around Detroit is big.

(21:32)

**Rachel Spilde, Industrial Hemp Program Coordinator, ND Dept. of Agriculture:**  
(Attachment #2)

(24:51)

**Representative Diane Larson:** (Looking at block of wood) This looks like it would absorb water.

**Rachel Spilde:** Can't answer the question.

We are closer than before to planting an industrial hemp crop in North Dakota. We hope to plant in May.

**Chairman Dennis Johnson:** With what is happening in Washington and Colorado with marijuana, they have let it go. Are we even on their radar with hemp?

**Rachel Spilde:** I have heard the same issue. In our rule it requires that the Agriculture Commissioner submit our licenses to the DEA for their information. They don't want that information. But they won't go on record to say they will not prosecute.

**Representative Dwight Kiefert:** The concern of the Agriculture Department is that they commingle the illegal marijuana with the hemp and it is hard to detect.

**Rachel Spilde:** Commingling is a very bad idea. Both crops would fail. Industrial hemp would increase in the THC level and marijuana would go down. There may be some issues in the beginning with people that don't know that and give it a try.

**Opposition:**

None

**Chairman Dennis Johnson:** Closed the hearing.

# 2015 HOUSE STANDING COMMITTEE MINUTES

**Agriculture Committee**  
Peace Garden Room, State Capitol

HB 1436  
2/6/2015  
Job #23395

- Subcommittee  
 Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to Industrial Hemp  
(Committee Work)

## Minutes:

Attachment #1

**Rachel Spilde, ND Department of Agriculture:** Brought amendment (Attachment #1)  
The current rules regarding industrial hemp require a January 1 application deadline. We are changing it to any time.

That way people can apply yet this spring.

**Representative Alan Fehr:** You are inserting letter h. There must be something missing in order to understand why that is there. Then you are removing lines 17-20 on page 2. In your original testimony you supported that.

**Rachel Spilde:** Anita Thomas, Legislative Council, felt the language at the end of the bill should be sufficient to cover that. She was also concerned that giving any leeway to the over the .3% THC for any reason would raise red flags. Everywhere else .3 is the standard accepted as the top limit for industrial hemp. She also feels that the wording in the seed section at the end would give the leeway needed for research.

**Chairman Dennis Johnson:** Representative Monson is fine with this?

**Rachel Spilde:** Yes.

**Representative Alan Fehr:** The letter h being inserted on line 10, what is that?

**Rachel Spilde:** As Anita Thomas removed items, she decided it would be best to bullet some items.

**Representative Craig Headland:** Moved the amendment

**Representative Alan Fehr:** Seconded the motion.

**Voice vote** taken. Motion carried.

**Representative Joshua Boschee:** Moved Do Pass as amended.

**Representative Alan Fehr:** Seconded the motion

**Representative Diane Larson:** Did she say that this is going to allow for more than .3 THC?

**Rachel Spilde:** No it will not. Point 3 will be the top limit. Even the seed portion won't allow more than .3.

**A Roll Call vote was taken: Yes 13, No 0, Absent 0.**

**Do Pass as amended** carries.

**Representative Fehr** will carry the bill.

# 2015 HOUSE STANDING COMMITTEE MINUTES

**Agriculture Committee**  
Peace Garden Room, State Capitol

HB 1436  
2/12/2015  
Job #23715

- Subcommittee  
 Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to industrial hemp  
(Committee Work)

## Minutes:

Attachment #1

**Chairman Dennis Johnson:** We have new amendments. (Attachment #1)  
We passed this bill last week with amendments from the Agriculture Department. So we have to reconsider our action on that bill.

**Representative Alex Looyen:** Moved to reconsider our action on HB 1436.

**Representative Diane Larson:** Seconded the motion.

**Voice vote taken.** Motion carried.

**Chairman Dennis Johnson:** This amendment combines the amendment from last week with the amendment from Representative Monson. It moves language around in the bill and renumbers.

**Representative Alex Looyen:** Moved to remove previous amendment

**Representative Cynthia Schreiber-Beck:** Seconded the motion

**Voice vote taken.** Motion passed.

**Representative Craig Headland:** Moved amendment 15.0571.02004. (Attachment #1)

**Representative Alex Looyen:** Seconded the motion.

**Representative Alan Fehr:** Page 1, lines 4-11 are removed. The only thing it does is inserts the phrases "Except as otherwise provided." Why are we removing that?

**Brian Johnson, Intern:** Rachel from the Agriculture Department said they needed to remove that because of the 3/10ths. The language at the end of the bill would allow the commissioner to choose whether or not a crop was going to be destroyed.

**Chairman Dennis Johnson:** So the commissioner has the ability to make the call.

**Brian Johnson:** I believe so.

**Representative Alan Fehr:** I believe the 3/10ths is currently in law and will remain there.

**Brian Johnson:** It is just removing it from this section.

**Representative Cynthia Schreiber-Beck:** In line 1 they were going to reenact 4-41-01. Now it remains as it existed previously.

**Voice Vote** to accept the amendment. Motion passed.

**Representative Alex Looyen:** Moved Do Pass as amended.

**Representative Joshua Boschee:** Seconded the motion.

**A Roll Call vote was taken: Yes 13, No 0, Absent 0.**

Do Pass as amended carries.

**Representative Cynthia Schreiber-Beck** will carry the bill.



PROPOSED AMENDMENTS TO HOUSE BILL NO. 1436

Page 2, line 10, after the period insert:

"h."

Page 2, line 12, after the period insert:

"i.     An application for a license under this section may be filed with the commissioner at any time."

Page 2, remove lines 17 through 20

Page 2, line 21, replace "c." with "b."

Page 2, after line 26, after the period insert:

"4."

Renumber accordingly

*AM*  
*2-12-15*  
*1072*

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1436

Page 1, line 1, remove "4-41-01,"

Page 1, line 1, remove the second comma

Page 1, line 1, after "4-41-03" insert "and subdivision b of subsection 2 of section 12-60-24"

Page 1, remove lines 4 through 11

Page 1, line 18, after the period insert:

"a."

Page 1, line 20, after the period insert:

"b."

Page 1, line 24, after the first "history" insert "record"

Page 1, line 24, after the second "history" insert "record"

Page 2, line 1, overstrike "background" and insert immediately thereafter "criminal history record"

Page 2, line 2, after the period insert:

"c."

Page 2, line 4, after the period insert:

"d."

Page 2, line 5, overstrike "is not eligible for" and insert immediately thereafter "may be denied"

Page 2, line 5, after the period insert:

"e."

Page 2, line 7, after the period insert:

"f."

Page 2, line 9, after the period insert:

"g."

Page 2, line 10, after the period insert:

"h."

Page 2, after line 12, insert:

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

Page 2, line 17, remove "If a licensee fulfills the requirements of subdivision a and if thereafter the"

2 of 2

Page 2, remove lines 18 through 20

Page 2, line 21, remove "c."

Page 2, line 26, after the period insert:

"4."

Page 3, replace lines 1 through 6 with:

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

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

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

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

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

Renumber accordingly

Date: 2/6/2015

Roll Call Vote #: 1

**2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1436**

House **Agriculture** Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

**Recommendation**

- Adopt Amendment
- Do Pass     Do Not Pass     Without Committee Recommendation
- As Amended     Rerefer to Appropriations
- Place on Consent Calendar
- Other Actions:**     Reconsider     \_\_\_\_\_

Motion Made By Rep. Headland Seconded By Rep. Fehr

Representatives	Yes	No	Representatives	Yes	No
Chairman Dennis Johnson			Rep. Joshua Bosch		
Vice Chairman Wayne Trottier			Rep. Jessica Haak		
Rep. Bert Anderson			Rep. Alisa Mitskog		
Rep. Alan Fehr					
Rep. Craig Headland					
Rep. Tom Kading					
Rep. Dwight Kiefert					
Rep. Diane Larson					
Rep. Alex Looyen					
Rep. Cynthia Schreiber Beck					

*Vote carried*

*Vote Motion*

**Total** (Yes) \_\_\_\_\_ No \_\_\_\_\_

**Absent** \_\_\_\_\_

Floor Assignment Rep.

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

Department of Agriculture amendment to change deadline date

Date: 2/6/2015

Roll Call Vote #: 2

**2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1436**

House **Agriculture** Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

**Recommendation**

- Adopt Amendment
  - Do Pass     Do Not Pass     Without Committee Recommendation
  - As Amended     Rerefer to Appropriations
  - Place on Consent Calendar
- Other Actions:**     Reconsider     \_\_\_\_\_

Motion Made By Rep. Boschee    Seconded By Rep. Fehr

Representatives	Yes	No	Representatives	Yes	No
Chairman Dennis Johnson	X		Rep. Joshua Boschee	X	
Vice Chairman Wayne Trottier	X		Rep. Jessica Haak	X	
Rep. Bert Anderson	X		Rep. Alisa Mitskog	X	
Rep. Alan Fehr	X				
Rep. Craig Headland	X				
Rep. Tom Kading	X				
Rep. Dwight Kiefert	X				
Rep. Diane Larson	X				
Rep. Alex Looyen	X				
Rep. Cynthia Schreiber Beck	X				

**Total**    (Yes) 13    No 0

**Absent**    0

Floor Assignment Rep. Fehr

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

**2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1436**

House **Agriculture** Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

**Recommendation**

- Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
**Other Actions:**     Reconsider     \_\_\_\_\_

Motion Made By Rep. Looyson    Seconded By Rep. Larson

Representatives	Yes	No	Representatives	Yes	No
Chairman Dennis Johnson			Rep. Joshua Boschee		
Vice Chairman Wayne Trottier			Rep. Jessica Haak		
Rep. Bert Anderson			Rep. Alisa Mitskog		
Rep. Alan Fehr					
Rep. Craig Headland					
Rep. Tom Kading					
Rep. Dwight Kiefert					
Rep. Diane Larson					
Rep. Alex Looyson					
Rep. Cynthia Schreiber Beck					

*Handwritten notes in table: "Voice Motion" and "Vote Carried" with a large checkmark.*

**Total**    (Yes) \_\_\_\_\_    No \_\_\_\_\_

**Absent** \_\_\_\_\_

Floor Assignment Rep. \_\_\_\_\_

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

**2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1436**

House Agriculture Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

**Recommendation**

- Adopt Amendment
  - Do Pass     Do Not Pass     Without Committee Recommendation
  - As Amended     Rerefer to Appropriations
  - Place on Consent Calendar
  - Reconsider
- Other Actions:**     Remove Amendment

Motion Made By Rep. Looyson    Seconded By Rep. Schreiber-Beck

Representatives	Yes	No	Representatives	Yes	No
Chairman Dennis Johnson			Rep. Joshua Bosch		
Vice Chairman Wayne Trottier			Rep. Jessica Haak		
Rep. Bert Anderson			Rep. Alisa Mitskog		
Rep. Alan Fehr					
Rep. Craig Headland					
Rep. Tom Kading					
Rep. Dwight Kiefert					
Rep. Diane Larson					
Rep. Alex Looyson					
Rep. Cynthia Schreiber Beck					

*Vote Carried*  
*Motion*

**Total**    (Yes) \_\_\_\_\_    No \_\_\_\_\_

**Absent** \_\_\_\_\_

Floor Assignment Rep. \_\_\_\_\_

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

Remove amendment in previous action

**2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1436**

House **Agriculture** Committee

Subcommittee

Amendment LC# or Description: 15.0571.02004

**Recommendation**

- Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
**Other Actions:**     Reconsider     \_\_\_\_\_

Motion Made By Rep. Headland Seconded By Rep. Looyen

Representatives	Yes	No	Representatives	Yes	No
Chairman Dennis Johnson			Rep. Joshua Boschee		
Vice Chairman Wayne Trottier			Rep. Jessica Haak		
Rep. Bert Anderson			Rep. Alisa Mitskog		
Rep. Alan Fehr					
Rep. Craig Headland					
Rep. Tom Kading					
Rep. Dwight Kiefert					
Rep. Diane Larson					
Rep. Alex Looyen					
Rep. Cynthia Schreiber Beck					

*Voice Vote Carried  
Motion*

**Total** (Yes) \_\_\_\_\_ No \_\_\_\_\_

**Absent** \_\_\_\_\_

Floor Assignment Rep. \_\_\_\_\_

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

Combines amendment from Agriculture Department and Representative Monson



**2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1436**

House **Agriculture** Committee

Subcommittee

Amendment LC# or Description: 15.0571.02004

**Recommendation**

- Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
**Other Actions:**     Reconsider     \_\_\_\_\_

Motion Made By Rep. Looyen Seconded By Rep. Boschee

Representatives	Yes	No	Representatives	Yes	No
Chairman Dennis Johnson	X		Rep. Joshua Boschee	X	
Vice Chairman Wayne Trottier	X		Rep. Jessica Haak	X	
Rep. Bert Anderson	X		Rep. Alisa Mitskog	X	
Rep. Alan Fehr	X				
Rep. Craig Headland	X				
Rep. Tom Kading	X				
Rep. Dwight Kiefert	X				
Rep. Diane Larson	X				
Rep. Alex Looyen	X				
Rep. Cynthia Schreiber Beck	X				

**Total** (Yes) 13 No 0

**Absent** 0

Floor Assignment Rep. Schreiber-Beck

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

REPORT OF STANDING COMMITTEE

HB 1436: Agriculture Committee (Rep. D. Johnson, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1436 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "4-41-01,"

Page 1, line 1, remove the second comma

Page 1, line 1, after "4-41-03" insert "and subdivision b of subsection 2 of section 12-60-24"

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

Renumber accordingly

**2015 SENATE AGRICULTURE**

**HB 1436**

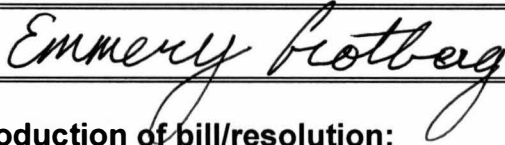
# 2015 SENATE STANDING COMMITTEE MINUTES

**Agriculture Committee**  
Roosevelt Park Room, State Capitol

HB 1436  
3/12/2015  
Job #24713

- Subcommittee  
 Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to industrial hemp

Minutes:

Attachments: # 1-3

**Chairman Miller** opened the hearing on HB 1436.

**Representative Monson** introduced HB 1436 (see attachment #1).

**Vice Chairman Luick:** (5:28) Can you go through the process of how this product is grown and harvested?

**Representative Monson:** It is planted in Canada and they use regular air seeders and they can plant anywhere from 6 inches to 36 inch rows. The stuff grows about three feet a month. Some varieties can get up to 20 feet tall. They use it for seed, they cut down the plant and get it from the top. The seed is used for oil mostly but it can be used as food. The THC of industrial hemp is .3 THC which is the active ingredient in marijuana so it has zero value as far as drugs go. They use it organically mostly in lots of energy bars. My friends across the border in Canada have been raising it since 1997. They overproduce, so they ran into a problem with the price. The fiber is another product of it and it is a whole new realm of things.

He went over the use and raising and harvesting techniques. He said that the main thing hemp could be used for is fiber.

**Vice Chairman Luick:** What does it do for the soil and areas that are adaptable?

**Representative Monson:** Hemp takes fertilizer similar to wheat and hemp takes quite a bit of water.

**Chairman Miller:** Does it act more like a tree?

**Representative Monson:** It's a broad leaf, more like palm branches. Each leaf is 5 or 7 leaves. They fall off they don't use it and it goes back into the soil. The requirements are

very similar to wheat as far as fertilizer grows but it grows out so fast that it shades out any weeds so you don't need any spray.

**Senator Klein:** I've been here since you first started here since you provided your venture to provide is law that would allow us to grow hemp as soon as the federal government says it's ok. I think thin we started this in 1999, and we spent many years waiting but we have not reached a point where the federal government gives the go ahead. Is that correct?

**Representative Monson:** You're correct. We are now at the point where the federal government has put into the farm bill and they allow research universities and agriculture departments to do research and to plant it. By passing this bill with the changes, it would allow the agriculture commissioner to do some research as well. I've had some people wanting to research industrial hemp as a cleanup mechanism to clean up some oil spills and salt brine problems and it is very useful for taking pollutants of the soil because it grows so fast and binds it up inside those fibers. If this goes through, I think the agriculture commissioner could do the research up there.

**Rachel Spilde, Industrial Hemp Program Coordinator (20:30)** (see attachment #2) testified in support of HB 1436.

**Senator Oban:** (23:00) Is there an expiration date on this?

**Rachel Spilde:** Yes, December 31 is the expiration date that is outlined in law currently.

**Senator Warner:** Could you hone in a little on the term criminal conviction, and we sometimes mean infractions, misfeasors, or felonies. At which level does it start to become a criminal conviction?

**Rachel Spilde:** At this point I'm not comfortable answering that question, I can find the answer however.

**Vice Chairman Luick** If this is not anywhere in the field of marijuana, why is there any type of language in there at all about this? Why aren't we treating this like another crop?

**Rachel Spilde:** Because of federal regulations. In ND we've allowed private landowners to apply for hemp licenses since the late 1990s. However to this day, industrial hemp is listed as a Schedule I substance. Until that changes at the federal level, we will continue to struggle in planting industrial hemp

**Senator Warner:** One of the reasons is that we sometimes speak of this as being a cousin to marijuana, it's really not its exactly the same species. The varieties look exactly the same or there's less variation between marijuana and hemp then there is between different varieties of industrial hemp. There is more variation in the way that they look within the category of industrial then there is between the two sides and you can't really tell the difference until you do the analysis on the juice.

**Senator Klein:** But aren't we providing for recreational growth of marijuana but we can't grow hemp? The law is not being applied equally.

**Rachel Spilde:** I can't speak to the DEA priorities, they are telling you that you could face prosecution federally if you grow hemp without FDA registration or are a part of a research program through NDSU or the Department of Agriculture.

**Senator Klein:** When we had this discussion initially there was talk about fencing the entire field. On a regular basis, agents would come out and make sure that no one was growing anything inside the field illegally. It seemed so monumental that I didn't know why anyone would want to try.

**Rachel Spilde:** The farm bill that has passed has given the research institutions and agriculture departments authority over the research but we don't need to follow the same protocols that we used too. It's meant to give us a little bit of leeway with DEA. However, there is very little seed available in the US, we are beholden to them in that process.

**Senator Klein:** For information, I know the director from Langdon is here. I was kind of interested what they are proposing?

**Randy Mehlhoff, Director of the Langdon Research Extension Center:** We have been pegged as the first center to do research on this crop. There is no research on hemp right now so we can do anything from variety testing, disease control, weed control, I've heard that hemp is susceptible to white mold. The vast array of research is unlimited.

**Senator Warner:** I can sense your excitement, can you tell me what you think the potential for pollution cleanup?

**Randy Melhoff:** I can't answer that question but I do know that these brine spills and these situations that are happening out west are detrimental to our land. I recently saw a presentation by a professor and the things that are in those spills is unbelievable. I'm not trained enough at this point to be able to say that it pulls salts out of the soil, I've heard that it does do that similar to sunflower. With any of these problems out west, I think anything is worth trying.

**Vice Chairman Luick:** Are you familiar with the rotation of this and the growing days that are needed and the protein levels, root depths? Do you know anything about the growing characteristics of the plant at all?

**Randy Mehlhoff:** That is why we want to start doing this, we really don't have any of that information at all right now. I am glad that the federal government included this in their farm bill because I think their intent is that they know that in the future this crop may be commercially available to farmers. So they are giving us the ability to be able to do testing so that when that does happen, farmers will have production information where they can maybe dive into this crop with enough information where they can getting involved with it.

Submitted testimony **Dr. Johnson's** ND Industrial Hemp Evaluations project (see testimony #3)

**Chairman Miller** closed the hearing on HB 1436.

**Vice Chairman Luick** moved Do Pass on HB 1436.

**Senator Oban** seconded the motion.

**A Roll Call vote was taken. Yea: 5; Nay: 0; Absent: 1.**

Do Pass carries

**Vice Chairman Luick** will carry the bill.





**REPORT OF STANDING COMMITTEE**

**HB 1436, as engrossed: Agriculture Committee (Sen. Miller, Chairman) recommends DO PASS (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1436 was placed on the Fourteenth order on the calendar.**

**2015 TESTIMONY**

**HB 1436**

Testimony on HB 1436

Rep. David Monson, Dist. 10

#1  
1/29/15

Mr. Chairman and members of the House Ag Committee, for the record I am Rep. David Monson of Dist. 10 in northeastern ND.

The purpose of this bill is to bring our ND industrial hemp laws into line with the provisions in the most recent Federal farm bill, and make a few changes to our laws. I do have an amendment which I will provide for your consideration.

The changes on page 1 of the bill are just housekeeping changes. The first change that is substantive is on page 2 with the insertion of a new section 2. The purpose of this change is to give the ND Commissioner of Agriculture some leeway in whether to declare a crop of industrial hemp grown in good faith by a ND license holder to be out of compliance. It has come to my attention that some popular and promising industrial hemp varieties commonly grown throughout the world may push the limits of the .3% THC levels set in ND law at the present time. This change would allow the commissioner the latitude to not have to destroy an entire crop of industrial hemp that may test at .31% THC for instance. The commissioner could decide it should be destroyed, but he could also decide it could be monitored and sold for fiber only and not for human or animal consumption, for instance. It would also give some protection to a farmer from possible sabotage of the crop by someone planting a few high THC seeds for drug purposes in his field.

Section 3 of the bill is meant to bring our state law into alignment with the farm bill by making it clear that a licensed farmer or the NDSU Research Centers can import industrial hemp seed.

After drafting and submitting the bill we realized we had not made it clear that the ag commissioner or his department could also import the seed and conduct research as provided in the farm bill. Thus, the amendment I am providing would be welcome to the bill. I will try to explain that next.

COMMISSIONER  
DOUG GOEHRING



#2  
ndda@nd.gov  
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**NORTH DAKOTA**  
**DEPARTMENT OF AGRICULTURE**  
STATE CAPITOL  
600 E BOULEVARD AVE DEPT 602  
BISMARCK ND 58505-0020

**Testimony of Rachel Spilde**  
**Industrial Hemp Program Coordinator**  
**House Bill 1436**  
**House Agriculture Committee**  
**Peace Garden Room**  
**January 29, 2015**

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Chairman Johnson and members of the House Agriculture Committee, I am Rachel Spilde, Industrial Hemp Program Coordinator for the North Dakota Department of Agriculture (NDDA), here representing Agriculture Commissioner Doug Goehring. I am here today in support of HB 1436 and Rep. Monson's proposed amendments, which give the agriculture commissioner discretion in issuing industrial hemp licenses and allow the agriculture commissioner to conduct industrial hemp research. These changes to the law will move the program closer to allowing industrial hemp research and production to move forward in North Dakota.

Current law in chapter 4-41 states that "Any person with a prior criminal conviction is not eligible for licensure". This means that the agriculture commissioner is required to deny licensure to anyone that has been convicted regardless of the kind of conviction or the follow up actions taken (such as fulfilling a probation, etc.). The new language would allow the commissioner discretion in denying licensure in the future.

The authority which could be given to the NDDA through HB 1436 mimics that given to state departments of agriculture and institutions of higher education to conduct research through the

farm bill. This change could allow NDDA or NDSU to conduct research in conjunction with private landowners. This is the only avenue in which private landowners could legally grow industrial hemp without annual DEA approval and registration.

Rep. Monson proposed an additional amendment which allows the agriculture commissioner flexibility in determining if an industrial hemp crop is sellable based on levels of tetrahydrocannabinol exceeding permitted levels. Providing the agriculture commissioner with the authority to certify that an industrial hemp crop is sellable above permitted levels is very important to growers. Depending on the seed variety and other factors, levels of tetrahydrocannabinol may slightly exceed permitted levels, forcing the agriculture commissioner to order the crop to not be moved to market. This would place an extreme burden on the producer. Nominal increases in levels of tetrahydrocannabinol above permitted levels do not present an increased chance of diversion of the crop for illegal uses. The department of agriculture supports this amendment.

Industrial hemp rules identify January 1 of each year as the deadline for submission of industrial hemp applications and renewals. Historically and at present, the January 1 deadline has been problematic. For instance, in February of 2014 the federal farm bill passed allowing state departments of agriculture and institutions of higher education to conduct research. At that point, NDSU had not received a license for 2014. The department of agriculture would like to amend this bill allowing the agriculture commissioner the ability to license throughout the year. This amendment would allow producers to file registration applications with the commissioner at any time and would accommodate situations like NDSU faced.

Chairman Johnson and committee members, thank you for your time, I urge a do pass on HB 1436 as amended. I would be happy to answer any questions you may have.

2/6/15

Rachel Spilde  
ND Dept. of Ag.

#1

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1436

Page 2, line 10, after the period insert:

"h."

Page 2, line 12, after the period insert:

"i.     An application for a license under this section may be filed with the commissioner at any time."

Page 2, remove lines 17 through 20

Page 2, line 21, replace "c." with "b."

Page 2, after line 26, after the period insert:

"4."

Renumber accordingly



PROPOSED AMENDMENTS TO HOUSE BILL NO. 1436

Page 1, line 1, remove "4-41-01,"

Page 1, line 1, remove the second comma

Page 1, line 1, after "4-41-03" insert "and subdivision b of subsection 2 of section 12-60-24"

Page 1, remove lines 4 through 11

Page 1, line 18, after the period insert:

"a."

Page 1, line 20, after the period insert:

"b."

Page 1, line 24, after the first "history" insert "record"

Page 1, line 24, after the second "history" insert "record"

Page 2, line 1, overstrike "background" and insert immediately thereafter "criminal history record"

Page 2, line 2, after the period insert:

"c."

Page 2, line 4, after the period insert:

"d."

Page 2, line 5, overstrike "is not eligible for" and insert immediately thereafter "may be denied"

Page 2, line 5, after the period insert:

"e."

Page 2, line 7, after the period insert:

"f."

Page 2, line 9, after the period insert:

"g."

Page 2, line 10, after the period insert:

"h."

Page 2, after line 12, insert:

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

Page 2, remove lines 17 through 20

Page 2, line 21, replace "c." with "b."

Page 2, line 26, after the period insert:

"4."

Page 3, replace lines 1 through 6 with:

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

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

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

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

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

Renumber accordingly

#1  
3/12/15

## Testimony on HB 1436

Rep. David Monson, Dist. 10

Mr. Chairman and members of the Senate Ag Committee, for the record I am Rep. David Monson of Dist. 10 in northeastern ND.

The purpose of this bill is to bring our ND industrial hemp laws into line with the provisions in the most recent Federal farm bill to let our ND Ag Dept. be more involved.

The changes on page 1 of the bill are just housekeeping changes. The changes that are substantive are on page 2. The purpose of the page 2 changes are to give the ND Commissioner of Agriculture the ability to import industrial hemp seed and conduct or direct research with industrial hemp. Previously, the only entity authorized to do research or raise industrial hemp was NDSU and licensed farmers. The farm bill expanded that, so I am hoping you can pass this bill and let the Ag Commissioner take full advantage of the opportunities in the farm bill. The farm bill did not include farmers, yet, but our law is ready in case something breaks along that line in the federal government.

Section 3 of the bill is meant to bring our state law into alignment with the farm bill by making it clear that a licensed farmer or the NDSU Research Centers can import industrial hemp seed.

If you have any questions I can attempt to answer them. I do have a sample of construction board made from industrial hemp and can pass it around for you to see. I can tell you there is interest in using industrial hemp as a potential tool to clean up oil spills and pollution in western ND, as well, so there is research just waiting to be tried here as we speak.

COMMISSIONER  
DOUG GOEHRING



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**NORTH DAKOTA**  
**DEPARTMENT OF AGRICULTURE**  
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**Testimony of Rachel Spilde**  
**Industrial Hemp Program Coordinator**  
**House Bill 1436**  
**Senate Agriculture Committee**  
**Roosevelt Park Room**  
**March 12, 2015**

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Chairman Miller and members of the Senate Agriculture Committee, I am Rachel Spilde, Industrial Hemp Program Coordinator for the North Dakota Department of Agriculture (NDDA), here representing Agriculture Commissioner Doug Goehring. I am here today in support of HB 1436, which gives the agriculture commissioner discretion in issuing industrial hemp licenses and allows the agriculture commissioner the ability to conduct industrial hemp research. These changes to the law will move the program closer to allowing industrial hemp research and production to move forward in North Dakota.

Current law in chapter 4-41 states that "Any person with a prior criminal conviction is not eligible for licensure". This means that the agriculture commissioner is required to deny licensure to anyone that has been convicted regardless of the kind of conviction or the follow up actions taken (such as fulfilling a probation, etc.). The new language would allow the commissioner discretion in denying licensure in the future.

The authority which could be given to the NDDA through HB 1436 mimics that given to state departments of agriculture and institutions of higher education to conduct research through the farm bill. This change could allow NDDA or NDSU to conduct research in conjunction with private landowners. This is the only avenue in which private landowners could legally grow industrial hemp without annual DEA approval and registration.

Industrial hemp rules identify January 1 of each year as the deadline for submission of industrial hemp applications and renewals. Historically and at present, the January 1 deadline has been problematic. For instance, in February of 2014 the federal farm bill passed allowing state departments of agriculture and institutions of higher education to conduct research. At that point, NDSU had not received a license for 2014. The department of agriculture would like to amend this bill allowing the agriculture commissioner the ability to license throughout the year. This amendment would allow producers to file registration applications with the commissioner at any time and would accommodate situations like NDSU faced.

Chairman Miller and committee members, thank you for your time, I urge a do pass on HB 1436. I would be happy to answer any questions you may have.

Title of project: North Dakota Industrial Hemp Evaluations  
6.19.14 R3

#3  
HB 1436  
3/12/15

Research Project:

Title of project: North Dakota Industrial Hemp Evaluations

Principal Investigator:

Dr. Burton L. Johnson, [burton.johnson@ndsu.edu](mailto:burton.johnson@ndsu.edu), (701)-231-8895  
Dept. of Plant Sciences  
North Dakota State University  
Fargo, ND 58249

Statement of purposes:

The industrial hemp research objectives are:

- i.) Determine adaptation potential and management guidelines for industrial hemp in North Dakota based on:
  - a. Crop life cycle requirements (cardinal temperatures, precipitation, adequate duration of growing season, physiological and harvest maturity)
  - b. Agronomic performance (seed and biomass yield, seed oil content and composition, fiber quantity and quality characteristics)
  - c. Agronomic deficiencies identification (seed/seedling germination/vigor; growth and development/crop competitiveness; pollination/fertilization/seed set/seed retention; stalk integrity/lodging; harvest issues/concerns/limitations)
  - d. Crop husbandry management (stand establishment, fertility, pest, and harvest management)
  - e. Crop rotation integration and resultant influence on growth resources, pests, and allelopathic/residue impacts on cropping systems

Name of controlled substances (CS) involved, amount (with justification) of each needed and source.

Industrial hemp (*Cannabis sativa* L.)

1 pound/0.45 kilogram of certified seed of six (6) varieties are required for the field studies.

Variety names: CFX-1, CRS-1, Delores, Canda, Alyssa, Finola

Research protocol (detailed description of procedures) including number and species of research subjects, dosage to be administered, route and method of administration, and duration of project.

1. Field studies will be initiated in the summer of 2014 at the Langdon REC to determine potential adaptation and production guidelines for production of industrial hemp.
2. The experimental design is a randomized complete block with four replicates and six varieties.
3. Plot size is approximately 2 x 8 meters
4. Seeding rate, based on pure live seed and seedling mortality, will target an established stand of 100 plants/m<sup>2</sup>.
5. Traits evaluated include: days to emergence, stand rating, leaf canopy closure date, flowering, male/female plant ratio, plant height, plant lodging, physiological maturity, harvest maturity, seed moisture at harvest, plant deficiencies, seed yield, seed oil

Title of project: North Dakota Industrial Hemp Evaluations  
6.19.14 R3

- content, seed oil composition, biomass yield, fiber yield and quality, agronomic concerns, THC analysis and crop rotation compatibility.
6. Trait analysis is based on analysis of variance (ANOVA) with treatment mean comparisons based on *F*-protected LSD comparisons at  $P \leq 0.05$ .
  7. Principal investigator: Dr. Burton L. Johnson
    - a. Collaborative investigators: Randy Mehlhoff and Bryan Hanson, Director and Research Agronomist, respectively, at the Langdon REC
    - b. Anndrea Hermann, Hemp Agronomist, Canada
  8. The study is ongoing from growing season to growing season with laboratory analysis following the summer portion of the field studies in late fall/winter/early spring.

Location where research will be conducted.

Initial industrial hemp field studies will be conducted at the Langdon Research Extension Center east of Langdon, ND, surrounding the epicenter GPS coordinates:

N 48° 45.374'

W 098° 98' 20.230"

Statement of security provisions for storing and dispensing the CS(s) in order to prevent diversion.

The industrial hemp seeds will be stored in an industrial grade lockable file cabinet in one of the research buildings at the Langdon REC, Langdon, ND.

The actual field site is remote from the main activity area of the research center and not in close proximity to public roadways.

If investigator plans to manufacture or import the CS(s), statement of quantity to be manufactured or imported and sources of chemicals to be used or substance to be imported.

Industrial hemp seeds will be imported from a Canadian source: Exporter on Record: Anndrea Hermann, Box 484 #31050 Hanover SE 11-6-5E 1/4, Kleefeld, MB Canada R0A0V0, 204-377-4417