

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1492

2005 HOUSE AGRICULTURE

HB 1492

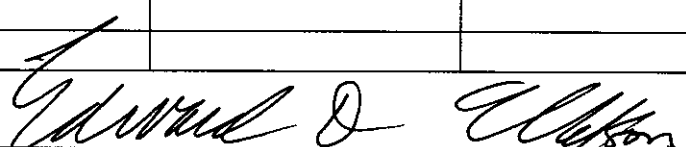
2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1492

House Agriculture Committee

☐ Conference Committee

Hearing Date 1---28---05

Tape Number	Side A	Side B	Meter #
TWO	A		25.3 TO 53.6
Committee Clerk Signature 			

Minutes:

VICE CHAIR WOMAN KINGSBURY: Committee Members, we will open on HB 1492.

REPRESENTATIVE MONSON: Good morning Madam Chair Woman and Committee Members. DISTRICT 10. I am a sponsor on 1492 the hemp bill. We are still trying to get something done on this issue. It is a one line bill. Hemp is grown in the south east part of the state. The bill is to try to save some of the wild industrial hemp seeds that are still growing in North Dakota from back in the 1940's. We had a booming business at that time. North Dakota was the leading producer of hemp. During world war two. There is a lot of industrial hemp growing in the South East part of the state. It has adapted over the years. I am a member of the board of directors for a organization called North American Industrial Hemp council. A number of you may have seen some of these people a couple of weeks ago. We had a board meeting up here. I had them here at the Capitol. On of those who is on the research board

Who is retired now was the main researcher on industrial hemp He had all levels growing in his green house He had permits from DEA to do this. He has a seed repository at the University of Indiana. He dose still work with them on this issue. He said we have a very valuable source of seed for industrial hemp if or when industrial hemp is legalized again

In North Dakota. It is proven in North Dakota. We need to save some of this seed. Some people from NDSU. They have a new green house which will have the capability to do this storage and it will be secure. It is a matter of time until they get there green house built. Up until that time they don't have a good place to store the seed. The green house will cost around \$25,000.00 dollars. I don't think that is a problem. The University has applied for a license but have not heard back from them to date. That has been a year and a half. At to whether the DEA will let them collect seed is questionable. If the DEA says no they can't do it then they won't Be able to do it. I am working with the ND Attorney General on this. The Ag. Commission is on our side.

REP. MUELLER: The word "shall" in this bill may be a word that won't work.

REP. MONSON: The "shall" is in there because DEA law will supersede this. If DEA says yes then they shall do it. We have passed everything basically that we can do to try to speed everything up and legalize it here. We have rules in place where actually Comm. Johnson Will be working on rules to license procedures and so on. I am thinking about some amendments. Write better rules. Hemp is grown in over 38 industrial nations including Canada. I have watched them harvest the crop in Canada. There is a demand out there for hemp. It makes plastic products. A plastic hemp combination.

Hemp is very strong. In Canada they are making head liners for some Ford products out of industrial hemp. The fiber from the plant and oil from the seeds can be used in many products. Hemp will be a good cash crop,. Two crops in a year can be grown. Forty five days to grow. We have a delegation in Washington working on it. This helps us if we can start collecting the seeds. Maybe some amendment would be in order. Strength laws on book

CHAIRWOMAN KINGSBURY: Other testimony

JEFF OLSON: My name is Jeff Olson, I am a Program Manager at the Department of Agriculture. I am here to testify in support of HB 1492. [[PLEASE READ JEFF'S PRINTED TESTIMONY]] We are trying to get compliance with the DEA. Other states have looked at industrial hemp as a crop. We are trying to put pressure on DEA Repository is imperative To keep the natural characteristics of hemp. Good for oil, fiber etc. My understanding you can not do it for both. Either fiber or oil. The University of Hawaii received permission to do research. That was four years ago. Most data comes out of Canada.

CHAIRWOMAN KINGSBURY Additional testimony;

SANDI TABOR; DEPUTY ATTORNEY GENERAL. I am here at the request of the Attorney General. I am here as to an amendment he would like to submit as to a change in the language of the bill. [[[[[please see amendment which is attached.]]]]]

The Attorney General thought the language was a little harsh in the bill.

MADAM CHAIRWOMAN KINGSBURY CLOSED ON HB 1492.

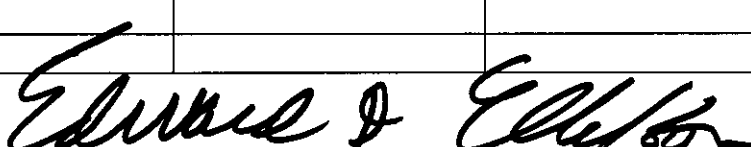
2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1492

House Agriculture Committee

☐ Conference Committee

Hearing Date 2---10---05

Tape Number	Side A	Side B	Meter #
TWO	A		11.0 TO 12.1
Committee Clerk Signature 			

Minutes:

CHAIRMAN NICHOLAS: O.K. Committee members we will re-open on HB 1492.

You have amendments before you. Is there any discussion on the amendments.

The chair entertained a motion as to adopting the amendments.

REPRESENTATIVE HEADLAND MADE A MOTION TO ADOPT THE AMENDMENTS.

REPRESENTATIVE KREIDT SECONDED THE MOTION.

THE MOTIONS WERE CARRIED WITH A VOICE VOTE.

THE CHAIR ASKED THAT ACTION BE TAKEN ON THE BILL.

REPRESENTATIVE KREIDT MADE A MOTION FOR A DO PASS AS AMENDED

REPRESENTATIVE DAMSCHEN SECONDED THE MOTION.

THE CHAIR ASKED THAT THE ROLL BE TAKE.

THERE WERE 13 YES VOTES.... 0 NO AND 0 ABSENT

REPRESENTATIVE KREIDT CARRIED THE BILL. THE CHAIR CLOSED HB1492.

FISCAL NOTE
Requested by Legislative Council
02/15/2005

Amendment to: HB 1492

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$25,000			
Appropriations			\$25,000			

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Expenditures related to retrofitting an existing facility with appropriate climate control and security. Operating costs would be absorbed within the departmental budget. Additional long-term expenditures would also be required for long-term storage requirements.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

An additional general fund appropriation is required since this is not an activity currently supported nor is funding for it provided in the Executive Budget Recommendation.

Name:	Laura Glatt	Agency:	ND University System Office
Phone Number:	328-4116	Date Prepared:	02/15/2005

FISCAL NOTE
Requested by Legislative Council
01/18/2005

Bill/Resolution No.: HB 1492

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$25,000			
Appropriations			\$25,000			

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Expenditures related to retrofitting an existing facility with appropriate climate control and security. Operating costs would be absorbed within the departmental budget. Additional long-term expenditures would also be required for long-term storage requirements.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

An additional general fund appropriation is required since this is not an activity currently supported nor is funding for it provided in the Executive Budget Recommendation.

Name:	Laura Glatt	Agency:	NDUS
Phone Number:	328-4116	Date Prepared:	01/24/2005

House Amendments to HB 1492 - Agriculture Committee 02/11/2005

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 4-05.1-05 of the North Dakota Century Code, relating to feral hemp seed.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 4-05.1-05 of the North Dakota Century Code is amended and reenacted as follows:

4-05.1-05. North Dakota state university main research center. The North Dakota state university main research center must be located on the campus of North Dakota state university of agriculture and applied science. The center is the administrative location of the agricultural experiment station. The center shall conduct research and coordinate all research activities of the agricultural experiment station. ~~The center may, if allowed under federal law, conduct baseline research, including production and processing in conjunction with the research and extension centers of the state, regarding industrial hemp and other alternative industrial use crops.~~ The research must have, as a purpose, the development and dissemination of technology important to the production and utilization of food, feed, fiber, and fuel from crop and livestock enterprises. The research must provide for an enhancement of the quality of life, sustainability of production, and protection of the environment. The center may conduct baseline research, including production and processing in conjunction with the research and extension centers of the state, regarding industrial hemp and other alternative industrial use crops. The center may collect feral hemp seed stock and develop appropriate adapted strains of industrial hemp which contain less than three-tenths of one percent tetrahydrocannabinol in the dried flowering tops. The agriculture commissioner shall monitor the collection of feral hemp seed stock and industrial hemp strain development and shall certify appropriate stocks for licensed commercial cultivation.

Renumber accordingly

1-10-05
HB 1492

Date:
Roll Call Vote #:

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House HOUSE AGRICULTURE COMMITTEE Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

AS Amended

Action Taken

DO PASS

Motion Made By

KREIDT

Seconded By

DAMSCHEN

Representatives	Yes	No	Representatives	Yes	No
REP. EUGENE NICHOLAS CHAIRMAN	✓		REP. TRACY BOE	✓	
REP. JOYCE KINGSBURY VICE CHAIRMAN	✓		REP. ROD FROELICH	✓	
REP. WESLEY BELTER	✓		REP. PHILLIP MUELLER	✓	
REP. M. BRANDENBURG	✓		REP. KENTON ONSTAD	✓	
REP. CHUCK DAMSCHEN	✓				
REP. CHAIG HEADLAND	✓				
REP. GARY KREIDT	✓				
REP. GERALD UGLEM	✓				
REP. JOHN WALL	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment

KREIDT

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

REPORT OF STANDING COMMITTEE

HB 1492: Agriculture Committee (Rep. Nicholas, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1492 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 4-05.1-05 of the North Dakota Century Code, relating to feral hemp seed.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 4-05.1-05 of the North Dakota Century Code is amended and reenacted as follows:

4-05.1-05. North Dakota state university main research center. The North Dakota state university main research center must be located on the campus of North Dakota state university of agriculture and applied science. The center is the administrative location of the agricultural experiment station. The center shall conduct research and coordinate all research activities of the agricultural experiment station. ~~The center may, if allowed under federal law, conduct baseline research, including production and processing in conjunction with the research and extension centers of the state, regarding industrial hemp and other alternative industrial use crops.~~ The research must have, as a purpose, the development and dissemination of technology important to the production and utilization of food, feed, fiber, and fuel from crop and livestock enterprises. The research must provide for an enhancement of the quality of life, sustainability of production, and protection of the environment. The center may conduct baseline research, including production and processing in conjunction with the research and extension centers of the state, regarding industrial hemp and other alternative industrial use crops. The center may collect feral hemp seed stock and develop appropriate adapted strains of industrial hemp which contain less than three-tenths of one percent tetrahydrocannabinol in the dried flowering tops. The agriculture commissioner shall monitor the collection of feral hemp seed stock and industrial hemp strain development and shall certify appropriate stocks for licensed commercial cultivation."

Renumber accordingly

2005 SENATE AGRICULTURE

HB 1492

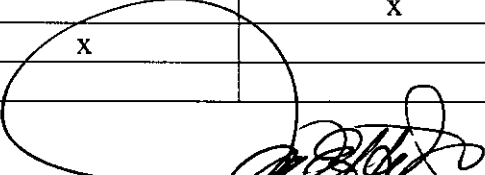
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1492

Senate Agriculture Committee

☐ Conference Committee

Hearing Date February 24, 2005

Tape Number	Side A	Side B	Meter #
1		x	3543 - end
2	x		0 - 439
Committee Clerk Signature 			

Minutes:

Chairman Flakoll opened the hearing on HB 1492, a bill relating to feral hemp seed. Senator Taylor was absent.

Representative Monson introduced the bill. (meter 3543) At every session we have a hemp bill to keep the issue on the burner. This bill came about when some of his colleagues from the board of the North American Hemp Council. They came to North Dakota recently for a board meeting. One board member is a former research professor at the University of Indiana who did 35 years of research on industrial hemp and marijuana. He had a secure place to do his research and is one of the few people in the country who has doing this type of research. When he was in North Dakota he said that North Dakota is a very valuable resource of feral industrial hemp seed, plants that had been cultivated basically down in the southeast corner of the state, Richland county. When we are permitted to grow industrial hemp, this would be a valuable resource of old seed stock that we could probably use for genetic testing and modification. This bill assumes

they can go out and do this so it is a "may". It allows them to do it when they are permitted to do so by the federal government. Another member of the Industrial Hemp Council is former CIA director James Wolsey who thinks the mood of the country is changing regarding industrial hemp. In fact, it doesn't even need to be Congress who allows the change, it could be reversed by an agency. He says we are getting closer and closer all the time. We want to be ready to do the research. We have most of this language in place already, the only change is to allow collection of feral hemp seed and to save it in a depository if they can get a permit.

Senator Urlacher asked if other states are growing hemp now. (meter 3985)

Representative Monson said no states are raising it now. The DEA are really obstructionists in this process. It is raised in 38 countries including Canada, England, all of Europe, China. It can be imported but the live, viable seed cannot be imported. If seed is going to be imported for food processing it must be sterilized which is one reason our feral seed would be so valuable. The flowers or leaves cannot be imported. Hemp is being raised in Ontario now, Ford and Cadillac use it for upholstery.

Senator Flakoll asked the closest place to North Dakota that manufactures items from hemp.

Representative Monson said the Ontario hemp is imported to Detroit. In Manitoba, just north of Langdon, there were several fields planted and harvested for several years. It was used in a pressed wood product in Duluth or Madison. It has a wonderful long fiber and uses so much less glue and it goes together so much faster. It takes Diemler Chrysler 9 minutes to make a fiberglass dash and only 93 seconds with industrial hemp. They would love to have it here but they won't switch over to hemp until it is legal and we won't raise it until there is a market so it is a bit of a catch 22. Once it is legal, it will be raised because there will be a market for it. It is

biodegradable. There is a big problem with nylon carpets in landfills and hemp carpet would be better. It has huge potential. There is a lot of feral hemp in Richland county, in the southwest corner of the state. In North Dakota we have everything on the books and the Agriculture Department is behind us. The attorney general has no problem with it, they met with him during the meeting of the industrial hemp council. North Dakota is very progressive on this issue.

Senator Urlacher said the big hang up is with industrial hemp's relationship to marijuana. Are the leaves of industrial hemp smoking material.

Representative Monson said the psycho active part of the drug is THC and industrial hemp is very low in THC. Another chemical, flavinoid, is present in industrial hemp and it causes headache so that would actually be a deterrent for smoking it.

Senator Klein asked what feral hemp seed is. (meter 5098)

Representative Monson said feral refers to something that was once domesticated and is now wild.

Senator Klein asked if his Manitoba neighbors are still involved in producing industrial hemp.

Representative Monson said his friend is no longer farming. His brother still raises it. Most of the hemp is raised close to the market.

Senator Flakoll asked what is the direct financial impact of hemp production to Canada. (meter 5313)

Representative Monson said he is not sure. The Canadian crop is also used for food purposed, the oil is used in beer, soap, ,lotion, lip balm and cosmetics. NDSU has said if they build a greenhouse they would already have a secure location and we would not need the \$25,000

shown on the fiscal note. There is not fiscal impact on the bill because he does not anticipate getting permission to store the seed at this time.

Jeff Olson, North Dakota Agriculture Department, testified in favor of the bill. (meter 5750)
(written testimony) NDSU has applied for a permit to research industrial hemp. Currently The University of Hawaii is doing the only industrial hemp research.

Senator Flakoll said there is a national repository for seed, is there any feral hemp seed there.

Mr. Olson said to his knowledge, no. The repository in this bill would allow North Dakotans to have access to the seed right away in the event it was permitted.

Senator Flakoll asked what is the shelf life of seed.

Mr. Olson said 10 years, it could lose a little quality.

Senator Flakoll asked if industrial hemp can be distinguished visually from marijuana. (meter 1, tape 2, side A)

Mr. Olson said that is the problem, law enforcement agencies can't tell the difference unless you study it closely. There have been studies about colorizing but nothing would stop illegal activity of then colorizing marijuana. The two plants would cross pollinate but it has been proven the THC level stays low.

Senator Flakoll asked if the equipment to test for THC is expensive.

Mr. Olson said he doesn't know.

Representative Monson said they had a vial in Canada and they would add crushed leaves and it if turned color it had high levels of THC. It was a field test.

Senator Flakoll closed the hearing on HB 1492. (meter 259)

Senator Klein moved a do pass for HB 1492.

Page 5

Senate Agriculture Committee

Bill/Resolution Number HB 1492

Hearing Date February 24, 2005

Senator Erbele seconded the motion.

The motion passed on a roll call vote 5-0-1.

Senator Klein will carry the bill.

Roll Call Vote # /

BILL/RESOLUTION NO. *Engrossed HB 1492*

Committee



Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sen. Klein Seconded By Sen. Erbele

[illegible]

Total (Yes) 5 No 0

Absent /

Floor Assignment Sen. Klein

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

REPORT OF STANDING COMMITTEE (410)
February 25, 2005 9:48 a.m.

Module No: SR-35-3657
Carrier: Klein
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1492, as engrossed: Agriculture Committee (Sen. Flakoll, Chairman) recommends DO PASS (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1492 was placed on the Fourteenth order on the calendar.

2005 TESTIMONY

HB 1492

Roger Johnson
Agriculture Commissioner
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600 E Boulevard Ave., Dept. 602
Bismarck, ND 58505-0020

Testimony of Jeff Olson, Program Manager
House Bill 1492
January 28, 2005, 10:45 a.m.
House Agriculture Committee
Peace Garden Room

Chairman Nicholas and members of the committee. My name is Jeff Olson. I am a Program Manager at the Department of Agriculture. I am here to testify in support of HB 1492.

The Department has supported the ability for North Dakota farmers to grow and market industrial hemp. We have made a number of contacts with the federal agencies and law enforcement agencies that have jurisdiction to legalize the production of industrial hemp. We are in support of this bill for two reasons. First, it keeps the attention of industrial hemp in the forefront of discussions; and, secondly, it is imperative that the natural characteristics of industrial hemp be maintained. This bill will accomplish both of these purposes.

Thank you for considering HB 1492. I would be happy to answer any questions.

Amendment to HB 1492
Offered by: Sandi Tabor
Deputy Attorney General
January 28, 2005

Line 3, delete "Under the"

Line 4, delete "direction of" and insert "In consultation with"

Roger Johnson
Agriculture Commissioner
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Bismarck, ND 58505-0020

Testimony of Jeff Olson, Program Manager
House Bill 1492
February 24, 2005
Senate Agriculture Committee
Roosevelt Room

Chairman Flakoll and members of the committee. My name is Jeff Olson. I am a Program Manager at the Department of Agriculture. I am here to testify in support of HB 1492.

The Department has supported the ability for North Dakota farmers to grow and market industrial hemp. We have made a number of contacts with the federal agencies and law enforcement agencies that have jurisdiction to legalize the production of industrial hemp. We are in support of this bill for two reasons. First, it keeps the attention of industrial hemp in the forefront of discussions; and, secondly, it is imperative that the natural characteristics of industrial hemp be maintained. This bill will accomplish both of these purposes.

Thank you for considering HB 1492. I would be happy to answer any questions.

rade official's office site

waste.

He has introduced House Bill 1492, which would allow North Dakota State University to create a repository for feral hemp seeds in the hopes that someday the Drug Enforcement Agency will allow the state to study hemp as a possible cash crop.

Monson, a board member of the North American Industrial Hemp Council, said it is real "iffy" that the DEA would even allow the state to set up a repository.

"If the DEA says 'no they can't do it, then they won't be able to do it," Monson said.

Hemp is illegal to grow in the United States because the government doesn't distinguish between it and marijuana — even though hemp con-

tains minuscule amounts of the chemical that produces the high users get from marijuana. One reason hemp is illegal is because it is similar in appearance to marijuana.

Monson said North Dakota has passed laws to legalize the study of hemp in North Dakota, but so far the DEA has not allowed research in the state.

Hemp is grown legally in Canada and other countries. The fiber from the plant and oil from the seeds can be used in many products.

The House Agriculture Committee heard testimony on the bill Friday but didn't take immediate action on it.

(Reach reporter Tom Rafferty at 223-8482 or tom.rafferty@bismarcktribune.com.)

Industrial hemp

Rep. David Monson, R-Oshabrock, doesn't want wild hemp seeds that are abundant in North Dakota to go to