

2025 HOUSE HUMAN SERVICES

HCR 3031

2025 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee Pioneer Room, State Capitol

HCR 3031
2/25/2025

A concurrent resolution directing the Legislative Management to consider studying the regulatory framework and potential economic impact of tetrahydrocannabinol infused beverages.

8:58 a.m. Chairman M. Ruby opened the hearing.

Members Present: Chairman M. Ruby, Vice-Chairman Frelich, Representatives K. Anderson, Beltz, Bolinske, Dobervich, Fegley, Hendrix, Holle, Kiefert, Rios, Rohr
Members Absent: Representative Davis

Discussion Topics:

- Benefits for local businesses
- Market research

8:59 a.m. Representative Conmy, District 11, introduced the resolution.

9:02 a.m. Scott Meske, North Dakota Brewer's Guild testified in favor.

9:12 a.m. Mike Frohlich, Founder/Co-Owner/Head of Brewery Operations of Laughing Sun Brewing Company, testified in favor and submitted testimony, #38363

9:24 a.m. Chairman M. Ruby closed the hearing.

9:25 a.m. Representative Hendrix moved a Do Pass.

9:25 a.m. Representative Dobervich seconded the motion.

Representatives	Vote
Representative Matthew Ruby	Y
Representative Kathy Frelich	N
Representative Karen Anderson	N
Representative Mike Beltz	N
Representative Macy Bolinske	Y
Representative Jayme Davis	AB
Representative Gretchen Dobervich	Y
Representative Cleyton Fegley	N
Representative Jared Hendrix	Y
Representative Dawson Holle	Y
Representative Dwight Kiefert	N

Representative Nico Rios	Y
Representative Karen Rohr	N

9:26 a.m. Motion failed 6-6-1.

9:29 a.m. Representative Rohr moved a Do Not Pass.

9:29 a.m. Vice-Chairman Frelich seconded the motion.

Representatives	Vote
Representative Matthew Ruby	N
Representative Kathy Frelich	Y
Representative Karen Anderson	Y
Representative Mike Beltz	Y
Representative Macy Bolinske	N
Representative Jayme Davis	AB
Representative Gretchen Dobervich	N
Representative Cleyton Fegley	Y
Representative Jared Hendrix	N
Representative Dawson Holle	N
Representative Dwight Kiefert	Y
Representative Nico Rios	N
Representative Karen Rohr	Y

9:31 a.m. Motion failed 6-6-1.

9:31 a.m. Vice-Chairman Frelich moved without committee recommendation.

9:32 a.m. Representative Anderson seconded the motion.

Representatives	Vote
Representative Matthew Ruby	N
Representative Kathy Frelich	Y
Representative Karen Anderson	Y
Representative Mike Beltz	Y
Representative Macy Bolinske	Y
Representative Jayme Davis	AB
Representative Gretchen Dobervich	N
Representative Cleyton Fegley	Y
Representative Jared Hendrix	N
Representative Dawson Holle	N
Representative Dwight Kiefert	Y
Representative Nico Rios	N
Representative Karen Rohr	Y

9:32 a.m. Motion passed 7-5-1.

Representative Beltz will carry the bill.

Additional written testimony:

Mark Bjornstad, President of the Drekker Brewing Company, submitted testimony in favor, #38375.

9:32 a.m. Chairman M. Ruby closed the meeting.

Jackson Toman, Committee Clerk

REPORT OF STANDING COMMITTEE
HCR 3031 ([25.3100.01000](#))

Human Services Committee (Rep. M. Ruby, Chairman) recommends the measure **BE PLACED ON THE CALENDAR WITHOUT RECOMMENDATION** (7 YEAS, 5 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). HCR 3031 was placed on the Eleventh order on the calendar.

House Human Service Committee Chairman Ruby and Committee Members,

I am writing in support of HCR 3031. As a brewery owner, we've seen a lot of ups and downs in the industry. Changing consumer habits and market trends have led to a declining craft beer industry in recent years. North Dakota alone has seen three closings in the last three months, with another closing announcement for March. There are a lot of reasons that factor in that, aging people drinking less beer, younger people not drinking beer, and many people in general changing lifestyle habits practicing Dry January and Sober October or turning to alternative products. The rise of Ready-to-Drink (RTD) cocktails and Hemp-derived THC beverages has forced many breweries to become beverage companies.

Hemp-derived THC beverages are available for sale in every state that borders North Dakota. North Dakotans are traveling across borders to buy these beverages. Local breweries are unable to compete in our own markets, unless we contract-brew out of state, for products that could be sold to those markets, which doesn't make us competitive on pricing. There are wholesalers in our state currently warehousing Hemp-derived THC products for sale in out-of-state markets. Our wholesale partners are on board with us in getting these products to our local markets. As a brewery owner, we are looking for every source of revenue we can find in today's climate.

Breweries are a large part of our North Dakota communities across the state. They provide gathering places, live music venues, restaurants, places for community events and much more. The economic benefits of allowing manufacture of these products include increased state tax revenue, increased sales for breweries, wholesalers and retailers alike. North Dakotans are traveling across borders to buy these beverages. North Dakotans should benefit from the products being manufactured locally. I would urge your support for HCR 3031.

Sincerely,

Mike Frohlich

Founder/Owner/Head of Brewery Operations

Laughing Sun Brewing Company

1023 E Front Ave

Bismarck, ND 58504

mike@laughingsunbrewing.com



Chairperson and Members of the Committee:

Thank you for the opportunity to provide testimony in support of the concurrent resolution directing Legislative Management to study the regulatory framework and potential economic impact of tetrahydrocannabinol (THC) infused beverages in North Dakota. As a citizen of North Dakota and the President of Drekker Brewing Company, a manufacturer that also produces hemp-derived THC beverages outside of North Dakota in our national markets, I appreciate this legislative effort to explore a balanced regulatory approach that promotes public safety, encourages economic growth, and fosters innovation within our state.

Economic Opportunity and Job Creation

North Dakota's rich agricultural tradition and robust manufacturing sector position us uniquely to benefit from the emerging hemp-derived beverage market. This study will provide critical insights into how a modern regulatory framework can unlock significant economic opportunities by:

- **Stimulating Job Growth:** New market sectors in cultivation, processing, distribution, and retail could create jobs across rural and urban communities.
- **Enhancing Agricultural Diversification:** The state's existing expertise in hemp production for industrial uses can expand into high-value consumer products, thereby increasing revenue streams for local farmers.
- **Generating Tax Revenue:** A well-regulated market can establish transparent sales and excise tax systems, contributing to the state's fiscal health while ensuring consumer protection.

Consumer Demand and Market Trends

Nationally, consumers are increasingly seeking alternatives to traditional alcoholic beverages. Hemp-derived THC beverages have emerged as a popular option due to their potential for a more balanced consumer experience, with fewer after effects than alcohol and are backed by rigorous quality and safety standards advocated by industry groups like the Hemp Beverage Alliance. By studying this sector now, North Dakota can:

- **Cater to Evolving Consumer Preferences:** Position the state as a leader in a market segment that values both wellness and innovation.
- **Enhance Consumer Safety:** Develop a science-based regulatory framework that ensures products are accurately labeled, safely manufactured, and rigorously tested.
- **Foster Innovation:** Encourage small and medium-sized enterprises to innovate within a clearly defined regulatory environment, enhancing competitive advantage and consumer trust.

Advocacy for Science-Based Regulation

The Hemp Beverage Alliance has been at the forefront of promoting best practices within the hemp beverage sector. Their initiatives emphasize:

- **Clear Industry Standards:** Establishing consistent testing protocols and labeling requirements to protect consumers and ensure product quality.
- **Balanced Oversight:** Crafting regulations that safeguard public health without unnecessarily hindering market growth and innovation.
- **Collaborative Policy Making:** Working with regulators, industry stakeholders, and scientific experts to develop frameworks that are both effective and flexible.

Adopting a regulatory framework informed by these principles would enable North Dakota to both protect its residents and seize a growing economic opportunity. A thoughtful study will allow Legislative Management to assess the risks and benefits, identify necessary adjustments to current regulations, and propose any legislation needed to implement a modern, competitive framework.

Conclusion

In conclusion, I strongly support this resolution. A comprehensive study will empower North Dakota to harness the economic benefits of the hemp-derived THC beverage market while ensuring that consumer safety remains paramount. By taking a proactive approach now, the state can establish itself as a model for responsible innovation and economic growth in an emerging industry.

Thank you for your consideration.

Sincerely,

Mark Bjornstad
President
Drekker Brewing Company