

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1490

2007 HOUSE AGRICULTURE

HB 1490

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1490

House Agriculture Committee

Check here for Conference Committee

Hearing Date: February 1, 2007

Recorder Job Number: 2577

Committee Clerk Signature

*Edward D. Ellyson*

Minutes:

Chairman Johnson opened the hearing for HB 1490. This bill is relating to the sale of industrial hemp seed and criminal history record checks; provide an appropriation and to declare an emergency.

Rep Monson: Represents District 10, northeastern North Dakota. The idea here is if we are going to have industrial hemp, licenses and farms to grow industrial hemp, we need to import to import seed. Obviously there is no seed in the US that has been tested and is commercially approved. It will probably need to come in from Canada. The import license to bring in industrial hemp is \$1331. or something like that and will cost everyone a lot of money to bring the seed across the boarder. So if the NDSU is already is a research institute that can do industrial hemp research. They can get their seed, pay the \$1331. and everyone can go to them and we can get the right seed and we all can save the \$1300. Since that time, we have people interested in selling the seed. We felt if they want to pay the \$1331. we would let them do so. So that eliminates the lines in section 1 which is underlined.

Roger Johnson Agriculture Commissioner is in favor of this bill and encourages a do pass.

See attached testimony. Roger Johnson will be in Washington to get assistance with rules to buy and sell hemp seed. We would need to know exactly what is being exported and we

would require knowing what is being harvested. We would have the authority to destroy property at any point if we feel that it is being used for something other than designate. In other word we would have control of what is being planted, growing, harvested and storage process until the instance the harvested product is rendered non viable and can't be grown again or is exported to an improved entity in the country or out of country.

Chairman closed the hearing on HB 1490.

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1490

House Agriculture Committee

Check here for Conference Committee

Hearing Date: Feb 1, 2007

Recorder Job Number 2580

Committee Clerk Signature

*Edward Elleyson*

Minutes:

**CHAIRMAN JOHNSON:** We will work on 1490. We had the amendments that were authored by Rep. Monson and he got those that were written, also wanted included to remove section 3 of this bill. If we could have a motion to address those amendments?

**REPRESENTATIVE BOE:** Made a motion to move on the amendments.

**REPRESENTATIVE BELTER:** Seconded the motion.

**A VOICE VOTE WAS TAKEN.** Amendments were adopted with a voice vote.

**CHAIRMAN JOHNSON:** Do I have a motion on the bill as amended.

**REPRESENTATIVE MUELLER:** I make a motion for a do pass as amended.

**REPRESENTATIVE BELTER:** I second the motion.

**A ROLL CALL VOTE WAS TAKEN. THERE WERE 11 YES 0 NO 2 ABSENT.**

**REPRESENTATIVE WALL** will carry the bill.

**CHAIRMAN JOHNSON CLOSED ON 1490.**

2-1-07

Date:  
Roll Call Vote #:

HB 1490

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO.

House AGRICULTURE Committee

Check here for Conference Committee

Legislative Council Amendment Number move Amend

Action Taken \_\_\_\_\_

Motion Made By BOE Seconded By BELTER

Representatives	Yes	No	Representatives	Yes	No
Dennis Johnson, Chairman			Tracy Boe		
Joyce Kingsbury Vice Chairman			Rodney J Froelich		
Wesley Belter			Phillip Mueller		
Mike Brandenburg			Kenton Onstad		
<del>Mike Brandenburg</del>			Ben Vig		
Craig Headland					
Brenda Heller					
John D Wall					
Gerry Uglem					

*Vote adopted*

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

Date:  
Roll Call Vote #:

Feb 1, 07

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1490

House Agriculture

Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken

Do Pass as amended voice vote

Motion Made By

Phillip Mueller

Seconded By

Rep Belter

Representatives	Yes	No	Representatives	Yes	No
Chairman Dennis Johnson	X		Tracy Boe	X	
Vice Chair Joyce Kingsbury	X		Rodney Froelich		
Wesley Belter	X		Phillip Mueller	X	
Mike Brandenburg	X		Kenton Onstad	X	
Craig Headland	X		Benjamin Vig	X	
Brenda Heller	<del>X</del>				
John D Wall	X				
Gerry Uglem	X				

Total (Yes) 11 No 0

Absent 2

Floor Assignment Rep Wall

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

HB 1490  
1 Feb 07

Date:  
Roll Call Vote #:

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO.

House AGRICULTURE Committee

Check here for Conference Committee

Legislative Council Amendment Number MOVE ON AS AMEND

Action Taken DI PASS

Motion Made By MULLER Seconded By BELTER

Representatives	Yes	No	Representatives	Yes	No
Dennis Johnson, Chairman	✓		Tracy Boe	✓	
Joyce Kingsbury Vice Chairman	✓		Rodney J Froelich		
Wesley Belter	✓		Phillip Mueller	✓	
Mike Brandenburg	✓		Kenton Onstad	✓	
<del>Mike Brandenburg</del>	<del>✓</del>		Ben Vig	✓	
Craig Headland	✓				
Brenda Heller					
John D Wall	✓				
Gerry Uglem	✓				

Total (Yes) 11 No \_\_\_\_\_

Absent 2

Floor Assignment WALL

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



**REPORT OF STANDING COMMITTEE**

**HB 1490: Agriculture Committee (Rep. D. Johnson, Chairman) recommends AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1490 was placed on the Sixth order on the calendar.

Page 1, line 4, remove "to provide an appropriation;"

Page 1, line 8, replace "is" with "and any other person licensed under this chapter may"

Page 1, line 9, remove "authorized to" and remove "by the university"

Page 1, line 10, remove "The university is the"

Page 1, remove line 11

Page 1, remove lines 16 through 19

Renumber accordingly

2007 SENATE AGRICULTURE

HB 1490

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1490

Senate Agriculture Committee

Check here for Conference Committee

Hearing Date: February 22, 2007

Recorder Job Number: 3670

Committee Clerk Signature

*Cass Krohn*

Minutes:

**Sen. Flakoll** opened the hearing on HB 1490, a bill relating to the sale of industrial hemp seed and to criminal history record checks.

**Rep. Monson**, district 10, testified in favor of the bill.

**Rep. Monson**- This is a bill that is here to hopefully solve a problem, we are getting closer I believe to being able to grow industrial hemp in the state but we have no certifying seed source. The only way that we can get it into the country is to get it from Canada. The import license I believe is \$1,193 or so that has to go to DEA for me to become an industrial hemp seed importer from Canada. We were thinking that we could save the farmers that are interested in growing this a lot of money if we had NDSU as to one that would import it, and once they got the seed they could redistribute it to those people that are licensed.

**Sen. Flakoll**- did the emergency clause carry in the house?

**Rep. Monson**-yes it did.

**Sen. Flakoll**- who certifies these?

**Rep. Monson**- the DEA is actually the one that gives you the import license at this time, commissioner Johnson's office gives the people a license for ND.

**Sen. Flakoll**- who tests the levels of DHC in it?

**Rep. Monson-** The Canadian government would certify the seed our laws are the same as theirs. Once it is in our state though DEA could test it and also the seed commission.

**Sen. Wanzek-** this is specifically to address the import issue?

**Rep. Monson-** yes.

**Roger Johnson**, Senate Agriculture Commissioner, testified in favor of the bill. See attached testimony.

**Sen. Flakoll-** the information on the background checks and everyone that qualifies here, is that subject to open records?

**Roger Johnson-** no.

**Sen. Heckaman-** at NDSU when they do this what kind of checks are they going to have to go through?

**Roger Johnson-** NDSU is exempt under the statute from having to go through the criminal background checks, our people and the seed commission is also exempt.

**Sen. Flakoll-** lets say that you would get raw product in would you have to pay tax?

**Roger Johnson-** I don't think that there is a tax that has to be paid and there is no raw product. Viable seed is permitted to be imported without an import license, that is in fact what this bill deals with. It is illegal for the product to come in without the DEA paperwork in hand.

**Sen. Flakoll-** if this were permissible to bring it from Canada, how do they ship that? Is it in a locked down tabbed container

**Roger Johnson-** we don't have any requirements that would pertain to that. I am sure that DEA would come up with something but there are no state requirements. The question here I think is that if DEA will ever willingly allow any seed to cross the border or be grown in this country. So far every indication that I have gotten from them is that they won't go through with it.

**Sen. Behm**- am I right that any seed that is classified has to have the tag on it if another farm gets it?

**Roger Johnson**- correct.

No opposition to the bill.

**Sen. Flakoll** closed the hearing.

**Sen. Wanzek** motioned for a Do Pass and was seconded by **Sen. Behm**, roll call vote 1: 6 yeas, 0 nays, 1 absent. **Sen. Wanzek** was designated to carry the bill.



**REPORT OF STANDING COMMITTEE**

**HB 1490, as engrossed: Agriculture Committee (Sen. Flakoll, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1490 was placed on the Fourteenth order on the calendar.**

2007 TESTIMONY

HB 1490

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**Testimony of Roger Johnson  
Agriculture Commissioner  
House Bill 1490  
House Agriculture Committee  
Peace Garden Room  
February 1, 2007**

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Chairman Johnson and members of the House Agriculture Committee, I am Agriculture Commissioner Roger Johnson. I am here today in support of HB 1490, which will add a new section to North Dakota Century Code (NDCC) Chapter 4-41 to allow the North Dakota State University (NDSU) authority to import and sell viable industrial hemp seed, will amend NDCC Section 12-60-04 to allow the Bureau of Criminal Investigation (BCI) the authority to conduct background checks for industrial hemp processors, and will provide NDSU an appropriation to conduct industrial hemp research.

Section 1 of this bill provides authority to NDSU to import and sell industrial hemp seed. If we are going to be successful in moving forward with an industrial hemp program, we have to demonstrate to the Drug Enforcement Administration (DEA) that we will have proper control of all viable seed from the moment the seed is imported through testing, certification, planting, harvesting, storage, and processing. Importing viable industrial hemp seed will take approval from the DEA and will likely not be a simple process.

Section 2 of the bill provides the authority for BCI to provide state and nationwide background checks for industrial hemp processors. Current statutory authority allows the agriculture commissioner to license industrial hemp growers, but excludes authority to license processors. Senate Bill No. 2099 provides authority to the agriculture commissioner to license industrial hemp processors. Licensing processors will provide further assurance to DEA that North Dakota is properly regulating all aspects of the industrial hemp industry.

Section 3 of the bill provides an appropriation to NDSU to conduct industrial hemp research. Since announcing the application process for licensing, the Department of Agriculture received many calls each day from producers seeking further information regarding growing industrial hemp. We are only able to send farmers interested in growing hemp data from other nations.

Chairman Johnson and committee members, I urge a "do pass" on HB 1490. I would be happy to answer any questions you may have.

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**Testimony of Roger Johnson  
Agriculture Commissioner  
House Bill 1490  
Senate Agriculture Committee  
Roosevelt Park Room  
February 22, 2007**

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Chairman Flakoll and members of the Senate Agriculture Committee, I am Agriculture Commissioner Roger Johnson. I am here today in support of HB 1490, which will add a new section to North Dakota Century Code (NDCC) Chapter 4-41 to allow the North Dakota State University (NDSU) and any other person licensed under this chapter the ability to import and sell viable industrial hemp seed, amends NDCC Section 12-60-04 to allow the Bureau of Criminal Investigation (BCI) the authority to conduct background checks for industrial hemp processors, and declares an emergency.

Section 1 of this bill provides authority to NDSU and any other person licensed under the chapter the ability to import and sell industrial hemp seed. If we are going to be successful in moving forward with an industrial hemp program, we have to demonstrate to the Drug Enforcement Administration (DEA) that we will have proper control of all viable seed from the moment the seed is imported through testing, certification, planting, harvesting, storage, and processing. Importing

viaible industrial hemp seed will take approval from the DEA and will likely not be a simple process.

Section 2 of the bill provides the authority for BCI to provide state and nationwide background checks for industrial hemp processors. Current statutory authority allows the agriculture commissioner to license industrial hemp growers, but excludes authority to license processors. Senate Bill No. 2099 provides authority to the agriculture commissioner to license industrial hemp processors. Licensing processors will provide further assurance to DEA that North Dakota is properly regulating all aspects of the industrial hemp industry.

Section 3 of the bill declares an emergency. I am working with DEA in order to resolve any concerns they have with North Dakota's industrial hemp licensing program. Earlier this month, I met with DEA and hand-delivered two state licenses and accompanying DEA registration forms. The emergency clause provides the ability for BCI to conduct immediate background checks on any potential industrial hemp processors and would provide authority to licensees to import industrial hemp seed for the upcoming planting season if we receive a favorable review from DEA on the state's first industrial hemp licenses.

Chairman Flakoll and committee members, I urge a "do pass" on HB 1490. I would be happy to answer any questions you may have.