

Sixty-fourth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1436

Introduced by

Representatives Monson, Fehr

Senator Campbell

1 A BILL for an Act to amend and reenact sections 4-41-02 and 4-41-03 and subdivision b of
2 subsection 2 of section 12-60-24 of the North Dakota Century Code, relating to industrial hemp.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 4-41-02 of the North Dakota Century Code is amended
5 and reenacted as follows:

6 **4-41-02. Industrial hemp - Licensure - Reporting requirements - Continuing**
7 **appropriation.**

8 1. Any person desiring to grow or process industrial hemp for commercial purposes or
9 research shall apply to the agriculture commissioner for a license on a form prescribed
10 by the commissioner.

11 a. The application for a license must include the name and address of the applicant
12 and the legal description of the land area to be used to produce or process
13 industrial hemp.

14 b. Except for employees of the state seed department, the agricultural experiment
15 station, or the North Dakota state university extension service involved in
16 research and extension-related activities, the commissioner shall require each
17 applicant for initial licensure to submit to a statewide and nationwide criminal
18 history record check. The nationwide criminal history record check must be
19 conducted in the manner provided in section 12-60-24. All costs associated with
20 the ~~background~~ criminal history record check are the responsibility of the
21 applicant.

22 c. Criminal history records provided to the commissioner under this section are
23 confidential. The commissioner may use the records only in determining an
24 applicant's eligibility for licensure.

- 1 d. Any person with a prior criminal conviction is ~~not eligible for~~ may be denied
2 licensure.
- 3 e. If the applicant has completed the application process to the satisfaction of the
4 commissioner, the commissioner shall issue the license, which is valid for a
5 period of one year.
- 6 f. Any person licensed under this section is presumed to be growing or processing
7 industrial hemp for commercial purposes or research.
- 8 g. A license required by this section is not conditioned on or subject to review or
9 approval by the United States drug enforcement agency.
- 10 h. This subsection does not apply to any person licensed by the United States drug
11 enforcement agency to conduct research.
- 12 i. An application for a license under this subsection may be filed with the
13 commissioner at any time.
- 14 2. a. Each licensee must file with the commissioner documentation indicating that the
15 seeds planted were of a type and variety certified to have no more than
16 three-tenths of one percent tetrahydrocannabinol and a copy of any contract to
17 grow industrial hemp.
- 18 b. Each licensee shall notify the commissioner of the sale or distribution of any
19 industrial hemp grown by the licensee, and the names of the persons to whom
20 the hemp was sold or distributed.
- 21 3. The commissioner shall adopt rules to allow the industrial hemp to be tested during
22 growth for tetrahydrocannabinol levels and to allow for supervision of the industrial
23 hemp during its growing, harvesting, and processing.
- 24 4. To provide sufficient funds to pay costs associated with monitoring and testing
25 industrial hemp in the state, the commissioner shall assess each applicant a fee of five
26 dollars per acre. The minimum fee assessed must be one hundred fifty dollars per
27 applicant. Collections from this fee must be deposited in the commissioner's operating
28 fund and are appropriated to the commissioner to be used to enforce this chapter.

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

1 **4-41-03. Industrial hemp seed - ~~Authority to import and sell~~ Authorized activity -**

2 **Research.**

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

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

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