Sixty-fourth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 6, 2015

HOUSE BILL NO. 1436
(Representatives Monson, Fehr)
(Senator Campbell)

AN ACT to amend and reenact sections 4-41-02 and 4-41-03 and subdivision b of subsection 2 of section 12-60-24 of the North Dakota Century Code, relating to industrial hemp.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

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

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

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

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

   d. Any person with a prior criminal conviction ~~is not eligible for~~may be denied licensure.

   e. If the applicant has completed the application process to the satisfaction of the commissioner, the commissioner shall issue the license, which is valid for a period of one year.

   f. Any person licensed under this section is presumed to be growing or processing industrial hemp for commercial purposes or research.

   g. A license required by this section is not conditioned on or subject to review or approval by the United States drug enforcement agency.

   h. This subsection does not apply to any person licensed by the United States drug enforcement agency to conduct research.

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

2. a. Each licensee must file with the commissioner documentation indicating that the seeds planted were of a type and variety certified to have no more than three-tenths of one percent tetrahydrocannabinol and a copy of any contract to grow industrial hemp.

b. Each licensee shall notify the commissioner of the sale or distribution of any industrial hemp grown by the licensee, and the names of the persons to whom the hemp was sold or distributed.

3. The commissioner shall adopt rules to allow the industrial hemp to be tested during growth for tetrahydrocannabinol levels and to allow for supervision of the industrial hemp during its growing, harvesting, and processing.

4. To provide sufficient funds to pay costs associated with monitoring and testing industrial hemp in the state, the commissioner shall assess each applicant a fee of five dollars per acre. The minimum fee assessed must be one hundred fifty dollars per applicant. Collections from this fee must be deposited in the commissioner's operating fund and are appropriated to the commissioner to be used to enforce this chapter.

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.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-fourth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1436.

House Vote:	Yeas 87	Nays 5	Absent 2
Senate Vote:	Yeas 46	Nays 1	Absent 0

Chief Clerk of the House

Received by the Governor at 8:25 A.M. on March 25, 2015.

Approved at 1:52 P.M. on March 26, 2015.

Governor

Filed in this office this 26th day of March, 2015,

at 3:04 o'clock P M.

Secretary of State