

**HOUSE BILL NO. 1240**

Introduced by

Representatives Monson, D. Johnson, Pollert

Senators Campbell, Luick, Myrdal

1 A BILL for an Act to amend and reenact section 4-41-02 of the North Dakota Century Code,  
2 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 criminal history record check are the responsibility of the applicant.

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

24 d. Any person with a prior criminal conviction may be denied licensure.

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