

**Sixty-fifth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 3, 2017**

HOUSE BILL NO. 1240
(Representatives Monson, D. Johnson, Pollert)
(Senators Campbell, Luick, Myrdal)

AN ACT to amend and reenact section 4-41-02 of the North Dakota Century Code, relating to industrial hemp; to provide a continuing appropriation; and to declare an emergency.

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 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 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 provide for oversight of the industrial hemp during growth, harvest, and processing and 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~~The commissioner shall assess each applicant a fee of fiveone hundred fifty dollars plus twenty-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.~~
5. Fees collected under this chapter must be deposited in the commissioner's operating fund and are appropriated to the department on a continuing basis for the purpose of enforcing this chapter.

SECTION 2. EMERGENCY. This Act is declared to be an emergency measure.

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-fifth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1240 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 91 Nays 0 Absent 3

Speaker of the House

Chief Clerk of the House

This certifies that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 46 Nays 0 Absent 1

President of the Senate

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2017.

Approved at _____ M. on _____, 2017.

Governor

Filed in this office this _____ day of _____, 2017,

at _____ o'clock _____ M.

Secretary of State