

HOUSE RESEARCH

Bill Summary

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Overview

This bill creates a state regulatory structure for industrial hemp and provides for the establishment of industrial hemp as an additional cash crop option for Minnesota farmers.

Section

- 1 to 16** **Sections 1 to 16.** These sections direct the Minnesota Department of Agriculture (MDA) to regulate industrial hemp in the same manner in which it currently regulates plants and nursery stock. This includes authorizing the MDA to enter a site where industrial hemp is manufactured, distributed, used, handled, or transported in order to inspect, sample, and analyze the product.
- 17** **Controlled substance offenses.** Clarifies that a person charged with a violation by the MDA may also be charged with a controlled substance violation if they are accused of possessing marijuana.
- 18** **Short title.** States that the new chapter may be referred to as the “Industrial Hemp Development Act.”
- 19** **Purpose.** Lays out the legislative purpose of the act.
- 20** **Definitions.** Puts the MDA in charge of industrial hemp regulation and defines “industrial hemp” and “marijuana” as two separate entities.
- 21** **Industrial hemp authorized as an agricultural crop.** States that industrial hemp is an agricultural crop if planted, grown, and harvested in accordance with state law. This section also makes it legal to possess industrial hemp grown by a licensed hemp grower.
- 22** **Licensing.** Requires a person wishing to grow industrial hemp to first obtain a license. The person must submit the location of their plot and proof that they’ve satisfied relevant federal requirements. First-time applicants must submit to and pay for a criminal background

check.

- 23 Industrial hemp production; notification.** Requires a license holder to submit an annual report to the MDA and to notify the MDA of any sale or distribution of industrial hemp.
- 24 Rulemaking.** Requires the MDA to issue rules covering several specified topics and consistent with any relevant rules or regulations of the United States Department of Justice, Drug Enforcement Administration.
- 25 Fees.** Creates an industrial hemp account in the state treasury to hold all fees raised under this section. Money in the account is appropriated to the MDA to carry out their duties.
- 26 Defense for possession of marijuana.** Creates a defense against a charge of possession of marijuana if the person is a licensed industrial hemp grower who is instead in possession of industrial hemp.
- 27 Marijuana.** Modifies an existing statutory definition of marijuana to exclude industrial hemp.
- 28 Wild hemp.** Clarifies that industrial hemp is not wild hemp, which county boards can eradicate on private property under state law.
- 29 Effective date.** States that except for section 24 which requires rulemaking, all sections are effective following final enactment. Section 24 would become effective once the federal government changes its policy and authorizes a person to commercially grow industrial hemp.