

# HOUSE RESEARCH

## Bill Summary

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### Overview

This bill authorizes industrial hemp as an agricultural crop and creates a state regulatory structure for industrial hemp. It also authorizes limited industrial hemp research conducted in accordance with the federal 2014 Farm Bill (Public Law 113-79).

#### 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** **Findings; Purpose.** Establishes 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** **Pilot program; other research authorized.** Authorizes industrial hemp growth and cultivation by MDA and institutions of higher education. Requires MDA pre-approval of any site used to grow or cultivate industrial hemp. Authorizes MDA to adopt rules to govern the pilot program.

**Section**

- 22        **Agricultural crop; possession authorized.** 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.
- 23        **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.
- 24        **Annual report; 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.
- 25        **Rulemaking.** Requires the MDA to issue rules covering several specified topics and consistent with federal law.
- 26        **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 its duties.
- 27        **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.
- 28        **Marijuana.** Modifies an existing statutory definition of marijuana to exclude industrial hemp.
- 29        **Wild hemp.** Clarifies that industrial hemp is not wild hemp, which county boards can eradicate on private property under state law.
- 30        **Effective date.** Section 25 requires MDA rulemaking and becomes effective only after the federal government legalizes commercial industrial hemp production. All other sections are effective following final enactment.