

CHAPTER 18K

INDUSTRIAL HEMP DEVELOPMENT

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18K.01 SHORT TITLE.

This chapter may be referred to as the "Industrial Hemp Development Act."

History: *1Sp2015 c 4 art 2 s 38*

18K.02 DEFINITIONS.

Subdivision 1. **Scope.** The definitions in this section apply to this chapter.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of agriculture.

Subd. 3. **Industrial hemp.** "Industrial hemp" means the plant *Cannabis sativa* L. and any part of the plant, whether growing or not, including the plant's seeds, and all the plant's derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis. Industrial hemp is not marijuana as defined in section 152.01, subdivision 9.

Subd. 4. **Marijuana.** "Marijuana" has the meaning given in section 152.01, subdivision 9.

History: *1Sp2015 c 4 art 2 s 39; 1Sp2019 c 1 art 2 s 10*

18K.03 AGRICULTURAL CROP; POSSESSION AUTHORIZED.

Subdivision 1. **Industrial hemp.** Industrial hemp is an agricultural crop in this state. A person may possess, transport, process, sell, or buy industrial hemp that is grown pursuant to this chapter or lawfully grown in another state.

Subd. 2. **Sale to medical cannabis manufacturers.** A licensee under this chapter may sell hemp products derived from industrial hemp grown in this state to medical cannabis manufacturers as authorized under sections 152.22 to 152.37.

History: *1Sp2015 c 4 art 2 s 40; 1Sp2019 c 1 art 2 s 11; 1Sp2019 c 9 art 11 s 1*

18K.04 LICENSING.

Subdivision 1. **Requirement; issuance; presumption.** (a) A person must obtain a license from the commissioner before growing industrial hemp for commercial purposes. A person must apply to the commissioner in the form prescribed by the commissioner and must pay the annual registration and inspection fee established by the commissioner in accordance with section 16A.1285, subdivision 2. The license application must include the name and address of the applicant and the legal description of the land area or areas where industrial hemp will be grown by the applicant.

(b) When an applicant has paid the fee and completed the application process to the satisfaction of the commissioner, the commissioner must issue a license which is valid until December 31 of the year of application.

(c) A person licensed under this section is presumed to be growing industrial hemp for commercial purposes.

Subd. 2. **Background check; data classification.** The commissioner must require each first-time applicant for a license to submit to a background investigation conducted by the Bureau of Criminal Apprehension as a condition of licensure. As part of the background investigation, the Bureau of Criminal Apprehension must conduct criminal history checks of Minnesota records and is authorized to exchange fingerprints with the United States Department of Justice, Federal Bureau of Investigation for the purpose of a criminal background check of the national files. The cost of the investigation must be paid by the applicant. Criminal history records provided to the commissioner under this section must be treated as private data on individuals, as defined in section 13.02, subdivision 12.

Subd. 3. **Federal requirements.** The applicant must demonstrate to the satisfaction of the commissioner that the applicant has complied with all applicable federal requirements pertaining to the production, distribution, and sale of industrial hemp.

History: *1Sp2015 c 4 art 2 s 41*

18K.05 ANNUAL REPORT; SALES NOTIFICATION.

(a) Annually, a licensee must file with the commissioner:

(1) documentation demonstrating to the commissioner's satisfaction that the seeds planted by the licensee are of a type and variety that contain no more than three-tenths of one percent delta-9 tetrahydrocannabinol; and

(2) a copy of any contract to grow industrial hemp.

(b) Within 30 days, a licensee must notify the commissioner of each sale or distribution of industrial hemp grown by the licensee including, but not limited to, the name and address of the person receiving the industrial hemp and the amount of industrial hemp sold or distributed.

History: *1Sp2015 c 4 art 2 s 42*

18K.06 RULEMAKING.

(a) The commissioner shall adopt rules governing the production, testing, and licensing of industrial hemp.

(b) Rules adopted under paragraph (a) must include, but not be limited to, provisions governing:

(1) the supervision and inspection of industrial hemp during its growth and harvest;

(2) the testing of industrial hemp to determine delta-9 tetrahydrocannabinol levels;

(3) the use of background check results required under section 18K.04 to approve or deny a license application; and

(4) any other provision or procedure necessary to carry out the purposes of this chapter.

(c) Rules issued under this section must be consistent with federal law regarding the production, distribution, and sale of industrial hemp.

History: *1Sp2015 c 4 art 2 s 43*

18K.07 FEES.

Fees collected under this chapter must be credited to the industrial hemp account, which is hereby established in the agricultural fund in the state treasury. Interest earned in the account accrues to the account. Funds in the industrial hemp account are annually appropriated to the commissioner to implement and enforce this chapter.

History: *1Sp2015 c 4 art 2 s 44*

18K.08 DEFENSE FOR POSSESSION OF MARIJUANA.

It is an affirmative defense to a prosecution for the possession of marijuana under chapter 152 if:

(1) the defendant possesses industrial hemp grown pursuant to this chapter; or

(2) the defendant has a valid controlled substance registration from the United States Department of Justice, Drug Enforcement Administration, if required under federal law.

History: *1Sp2015 c 4 art 2 s 45*

18K.09 PILOT PROGRAM; OTHER RESEARCH AUTHORIZED.

Subdivision 1. **Authorized activity.** The commissioner may grow or cultivate industrial hemp pursuant to a pilot program administered by the commissioner to study the growth, cultivation, or marketing of industrial hemp. The commissioner may: (1) authorize institutions of higher education to grow or cultivate industrial hemp as part of the commissioner's pilot program or as is necessary to perform other agricultural, renewable energy, or academic research; and (2) contract with public or private entities for testing or other activities authorized under this subdivision. Authorized activity under this section may include collecting seed from wild hemp sources.

Subd. 2. **Site registration.** Before growing or cultivating industrial hemp pursuant to this section, each site must be registered with and certified by the commissioner. A person must register each site annually in the form prescribed by the commissioner and must pay the annual registration and certification fee established by the commissioner in accordance with section 16A.1285, subdivision 2.

Subd. 3. **Rulemaking.** The commissioner may adopt rules that govern the pilot program pursuant to this section and Public Law 113-79.

History: *1Sp2015 c 4 art 2 s 46*