

LEGISLATIVE COMMITTEE MINUTES

SB669

Bill as
Introduced

SB 669 - AS INTRODUCED

2020 SESSION

20-2945
08/04

SENATE BILL

669

AN ACT

relative to authorization to grow industrial hemp.

SPONSORS:

Sen. Carson, Dist 14; Sen. Reagan, Dist 17; Sen. Watters, Dist 4; Sen. Kahn, Dist 10; Rep. Pearl, Merr. 26; Rep. A. Lekas, Hills. 37

COMMITTEE:

Energy and Natural Resources

ANALYSIS

This bill authorizes higher educational institutions to contract with a third party to grow or process industrial hemp.

This bill also further defines what research of industrial hemp entails.

Explanation:

Matter added to current law appears in ***bold italics***.

Matter removed from current law appears [~~in brackets and struckthrough~~].

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty

AN ACT relative to authorization to grow industrial hemp.

Be it Enacted by the Senate and House of Representatives in General Court convened:

- 1 1 Industrial Hemp Research; Authorization. Amend RSA 433-C:2 to read as follows:
2 433-C:2 Authorization. An institution of higher education, as defined in 20 U.S.C. section 1001,
3 may grow or cultivate ***or may contract with a private party to grow or cultivate***, industrial
4 hemp, on site or off site, for purposes of research under an agricultural pilot program or other
5 agricultural or academic research. In addition to studying the plant's growth and cultivation, the
6 research shall also study the economics of industrial hemp, including markets and processing. ***For***
7 ***the purpose of this section, researching the economics of industrial hemp shall include the***
8 ***promotion, distribution, or wholesale purchase or sale of industrial hemp or any product***
9 ***made from industrial hemp within the state, in another state, or outside of the United***
10 ***States and shall include efforts to advertise and gather information about the needs or***
11 ***preferences of potential consumers or suppliers.*** Industrial hemp grown or cultivated in
12 accordance with this chapter shall not be considered a controlled drug or controlled substance under
13 RSA 318-B.
14 2 Effective Date. This act shall take effect upon its passage.

SB 669 - AS AMENDED BY THE SENATE

03/05/2020 0722s

2020 SESSION

20-2945
08/04

SENATE BILL

669

AN ACT

relative to authorization to grow industrial hemp.

SPONSORS:

Sen. Carson, Dist 14; Sen. Reagan, Dist 17; Sen. Watters, Dist 4; Sen. Kahn, Dist 10; Rep. Pearl, Merr. 26; Rep. A. Lekas, Hills. 37

COMMITTEE:

Energy and Natural Resources

AMENDED ANALYSIS

This bill authorizes higher educational institutions to contract with a third party to grow or cultivate industrial hemp.

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Matter added to current law appears in *bold italics*.

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- 5 agricultural or academic research. In addition to studying the plant's growth and cultivation, the
- 6 research shall also study the economics of industrial hemp, including markets and processing.
- 7 Industrial hemp grown or cultivated in accordance with this chapter shall not be considered a
- 8 controlled drug or controlled substance under RSA 318-B.
- 9 2 Effective Date. This act shall take effect upon its passage.

Amendments

Sen. Giuda, Dist 2
February 6, 2020
2020-0542s
08/04

Amendment to SB 669

1 Amend RSA 433-C:2 as inserted by section 1 of the bill by replacing it with the following:

2

3 433-C:2 Authorization. An institution of higher education, as defined in 20 U.S.C. section 1001,
4 may grow or cultivate *or may contract with a private party to grow or cultivate*, industrial
5 hemp, on site or off site, for purposes of research under an agricultural pilot program or other
6 agricultural or academic research. In addition to studying the plant's growth and cultivation, the
7 research shall also study the economics of industrial hemp, including markets and processing.
8 Industrial hemp grown or cultivated in accordance with this chapter shall not be considered a
9 controlled drug or controlled substance under RSA 318-B.

UNAPPROVED

2020-0542s

AMENDED ANALYSIS

This bill authorizes higher educational institutions to contract with a third party to grow or cultivate industrial hemp.

UNAPPROVED

Sen. Giuda, Dist 2
Sen. Carson, Dist 14
February 7, 2020
2020-0563s
08/11

Amendment to SB 669

1 Amend RSA 433-C:2 as inserted by section 1 of the bill by replacing it with the following:

2

3 433-C:2 Authorization. An institution of higher education, as defined in 20 U.S.C. section 1001,
4 may grow or cultivate *or may contract with a private party to grow or cultivate*, industrial
5 hemp, on site or off site, for purposes of research under an agricultural pilot program or other
6 agricultural or academic research. In addition to studying the plant's growth and cultivation, the
7 research shall also study the economics of industrial hemp, including markets and processing.
8 Industrial hemp grown or cultivated in accordance with this chapter shall not be considered a
9 controlled drug or controlled substance under RSA 318-B.

UNAPPROVED

2020-0563s

AMENDED ANALYSIS

This bill authorizes higher educational institutions to contract with a third party to grow or cultivate industrial hemp.

UNAPPROVED

Energy and Natural Resources
February 18, 2020
2020-0722s
08/11

Amendment to SB 669

1 Amend RSA 433-C:2 as inserted by section 1 of the bill by replacing it with the following:

2

3 433-C:2 Authorization. An institution of higher education, as defined in 20 U.S.C. section 1001,
4 may grow or cultivate *or may contract with a private party to grow or cultivate*, industrial
5 hemp, on site or off site, for purposes of research under an agricultural pilot program or other
6 agricultural or academic research. In addition to studying the plant's growth and cultivation, the
7 research shall also study the economics of industrial hemp, including markets and processing.
8 Industrial hemp grown or cultivated in accordance with this chapter shall not be considered a
9 controlled drug or controlled substance under RSA 318-B.

Amendment to SB 669

- Page 2 -

2020-0722s

AMENDED ANALYSIS

This bill authorizes higher educational institutions to contract with a third party to grow or cultivate industrial hemp.

Committee Minutes

SENATE CALENDAR NOTICE

Energy and Natural Resources

Sen Martha Fuller Clark, Chair
 Sen Dan Feltes, Vice Chair
 Sen David Watters, Member
 Sen Jeb Bradley, Member
 Sen Bob Giuda, Member

Date: January 29, 2020

HEARINGS

Tuesday		
(Day)	02/04/2020	
(Date)	(Place)	(Time)
Energy and Natural Resources	State House 103	9:00 a.m.
9:00 a.m. SB 669	relative to authorization to grow industrial hemp.	
9:15 a.m. SB 728-FN	establishing the coastal program administered by the department of environmental services.	
9:30 a.m. SB 591	establishing a statewide solid waste disposal reduction goal.	
9:45 a.m. SB 629-FN	establishing the solid waste reduction management fund and establishing a solid waste disposal surcharge.	
10:00 a.m. SB 668-FN-A	establishing an offshore wind commission, establishing an office of offshore wind industry development in the department of business and economic affairs, and making an appropriation therefor.	

EXECUTIVE SESSION MAY FOLLOW

Sponsors:

SB 669

Sen. Carson
 Rep. Pearl

Sen. Reagan
 Rep. A. Lekas

Sen. Watters

Sen. Kahn

SB 728-FN

Sen. Watters
 Sen. Sherman

Sen. Fuller Clark
 Rep. Cushing

Sen. Bradley
 Rep. Malloy

Sen. Morgan
 Rep. K. Murray

SB 591

Sen. Watters
 Sen. D'Allesandro
 Sen. Kahn
 Rep. M. Murray

Sen. Dietsch
 Sen. Chandley
 Sen. Levesque
 Rep. O'Connor

Sen. Fuller Clark
 Sen. Hennessey
 Sen. Bradley
 Rep. Wolf

Sen. Rosenwald
 Sen. Morgan
 Rep. Ebel

SB 629-FN

Sen. Watters
 Rep. Ebel

Sen. Birdsell
 Rep. O'Connor

Sen. Fuller Clark
 Rep. M. Murray

Sen. Kahn
 Rep. Wolf

SB 668-FN-A

Sen. Watters
 Sen. Fuller Clark
 Sen. Gray
 Rep. Backus

Sen. Feltes
 Sen. Hennessey
 Sen. Bradley
 Rep. Cushing

Sen. Levesque
 Sen. Cavanaugh
 Sen. Sherman

Sen. Rosenwald
 Sen. Morgan
 Sen. Kahn

Griffin Roberge 271-7875

Martha Fuller Clark
 Chairman

Senate Energy and Natural Resources Committee

Griffin Roberge 271-7875

SB 669, relative to authorization to grow industrial hemp.

Hearing Date: February 4, 2020.

Time Opened: 9:06 a.m.

Time Closed: 9:27 a.m.

Members of the Committee Present: Senators Fuller Clark, Feltes, Watters, Bradley and Giuda.

Members of the Committee Absent: None.

Bill Analysis: This bill authorizes higher educational institutions to contract with a third party to grow or process industrial hemp.

This bill also further defines what research of industrial hemp entails.

Sponsors:

Sen. Carson

Sen. Reagan

Sen. Watters

Sen. Kahn

Rep. Pearl

Rep. A. Lekas

Who supports the bill: Senator Sharon Carson (NH Senate District 14), Senator John Reagan (NH Senate District 17), Senator Jay Kahn (NH Senate District 10), Shawn Jasper (DAMF), Chris Roblee, Senator David Watters (NH Senate District 4), Senator Martha Fuller Clark (NH Senate District 21), Representative Tony Lekas (Hillsborough – District 37), Representative Alicia Lekas (Hillsborough – District 37), Representative Robert Renny Cushing (Rockingham – District 21), Stella Vrook (Diverse Biotech, Inc.).

Who opposes the bill: None.

Who is neutral on the bill: None.

Summary of testimony presented in support:

Senator Sharon Carson

NH Senate District 14

- Some years ago, the federal government started to lessen restrictions on the growth of industrial hemp. Other states like Kentucky were among the first to start growing industrial hemp.
- Studies have illustrated the benefits of industrial hemp and the many products that can be created from it – fuel, animal feed, health products, etc.
- SB 669 represents another step in realizing the benefits of industrial hemp by permitting higher educational institutions to contract with third parties to grow or process industrial hemp. Senator Carson deferred any questions regarding SB 669 to the NH Department of Agriculture, Markets, and Food (DAMF).
- Senator Fuller Clark asked what other states permit the growth of industrial hemp.
 - Senator Carson said she could not answer the question but deferred to DAMF.

Shawn Jasper

Commissioner, DAMF

- Under Agricultural Act of 2014 (2014 US Farm Bill), states were authorized to grow industrial hemp for research purposes. HB 421 (2015) created RSA 433-C, which was NH's response to the 2014 US Farm Bill and permitted any institution of higher education in NH to grow industrial hemp for research purposes. However, no higher education institution came forward to conduct the research.
- Under the 2019 US Farm Bill, people were allowed to grow and cultivate industrial hemp in NH, but those individuals must first be federally permitted by the US Department of Agriculture (USDA) as NH does not have its own state permitting program for industrial hemp. Despite all the excitement regarding industrial hemp, NH is one of five states that has not established its own state permitting program for industrial hemp. Only one person in NH has applied for a federal permit. Absent a growing interest to grow and cultivate industrial hemp in NH, it makes little financial sense to establish a state permitting program. DAMF would be interested in contracting with the USDA for federal inspections of industrial hemp growers as it would be at no cost to the state and neighboring states have their own permitting programs.
- Other states took a variety of approaches to research industrial hemp prior to the 2019 US Farm Bill – Vermont had 800 farms researching industrial hemp. Commissioner Jasper noted how curious it was that so many farms were looking into industrial hemp research.
- In 2019, the DAMF was contacted by Diverse Biotech, Inc., a company interested in researching industrial hemp alongside a higher education institution in NH. The research would be conducted in an indoor facility. As the DAMF and the University of New Hampshire (UNH) negotiated a contract to involve Diverse Biotech, the NH Department of Justice (NHDOJ) felt it best to amend RSA 433-C:2 make it explicit that higher education institutions could contract with third parties because the industrial hemp would be owned by Diverse Biotech, not UNH. SB 669 as introduced corrected this issue on line 3. Diverse Biotech, Inc. would rather conduct medical research in a controlled environment through the structure outlined in SB 669 rather than seek a federal permit.
- The new language in SB 669 as introduced from lines 7-11 is meant to be definitional.
- Senator Watters recalled a presentation from the Council of State Governments that demonstrated a strong potential for economic opportunities in growing and cultivating industrial hemp. He asked if Commissioner Jasper agreed.
 - Commissioner Jasper noted there is a strong potential for economic activity in growing and cultivating industrial hemp. However, because the industrial hemp industry is still in its youth there are some major problems. As defined in RSA 433:C-1, industrial hemp is the cannabis sativa L. and any part of such plant with a delta-9 tetrahydrocannabinol concentration of not more than 0.3% on a dry weight basis. 40% of the industrial hemp being grown in the US tests above the 0.3% concentration level and is destroyed. There is roughly 60% more CBD oil in storage than there is demand, meaning contract prices are dropping. The intention of SB 669 is medical research. NH should remain cautious about growing industrial hemp – there is a relative low return on investment and the federal government still needs to determine regulations for the use and sale of CBD oil and related products. NH is prohibiting the sale of CBD-infused animal feed. The US Farm Bill allowed for the growth and cultivation of industrial hemp, but did not adopt any rules and regulations for it.
- Senator Giuda asked who would fund the growth and cultivation of industrial hemp under SB 669 as introduced.
 - Commissioner Jasper said any third party would fund the growth and cultivation of industrial hemp who wished to participate in a contract with an institution of higher education such as UNH.
- Senator Giuda wanted to be sure the state would not fund any efforts for the growth or cultivation of industrial hemp.
 - Commissioner Jasper said the state would not fund any efforts.
- Senator Giuda referenced his membership on the HB 151 Study Committee (2018) and said distinguishing industrial hemp from marijuana is problematic for law enforcement. He asked where the research would be conducted.
 - Commissioner Jasper said the Diverse Biotech had a location in mind, but he could not speak for the Diverse Biotech. The research would be conducted at a secure indoor location.
- Senator Feltes said he understood the changes on line 3 in SB 669 as introduced but said he did not understand the need for the additional language on lines 6-11. Lines 6-11 define the researching of the economics of industrial hemp to include “the promotion, distribution, or wholesale purchase or sale of industrial hemp or any product made from industrial hemp within the state...” He asked if that definition would allow a company to research the potential for promotion, distribution, or sale of industrial hemp, or permit a company to promote, distribute, or sell industrial hemp.

- Commissioner Jasper said the language meant there could be active promotion to better understand the market of industrial hemp, but it was not language he requested be put into SB 669 as introduced.

Stella Vnook

Chief Executive Officer, Diverse Biotech, Inc.

- Diverse Biotech, Inc is interested in contracting with UNH to conduct medical research of industrial hemp.
- Senator Giuda said he shared Senator Feltes' concern about SB 669's language. The language on lines 6-11 give the indication that Diverse Biotech may be involved in the promotion, distribution, and wholesale purchase or sale of industrial hemp. He asked for a clarification of the Diverse Biotech's intentions.
 - Ms. Vnook said SB 669's language was discussed between UNH and the company's chief scientific officer. Diverse Biotech is a start-up company that is studying industrial hemp and its impact on rare diseases. The intent is to conduct medical research to optimize industrial hemp in a way to have other attributes for medical purposes. Lines 6-11 were inserted in SB 669 in case the federal government offered further guidance on industrial hemp as a drug or a food additive. Diverse Biotech would then be on the frontline in offering pure industrial hemp products based on research done in conjunction with UNH.
- Senator Fuller Clark said it was her understanding that lines 6-11 outlined the opportunity to research the promotion, distribution, or wholesale purchase or sale of industrial hemp. However, Commissioner Jasper said the intention of SB 669 was to permit medical research, but there was no language in SB 669 that explicitly stated medical research.
 - Commissioner Jasper clarified his testimony – the intention of forming a contract between UNH and Diverse Biotech was for medical research. The statute was much broader and could encompass other research.
- Senator Fuller Clark said it was her understanding that the new language in line 3 is the most important language to permit a contract between UNH and Diverse Biotech.
 - Commissioner Jasper said that Senator Fuller Clark was correct.
- Senator Giuda said he was concerned that lines 6-11 would create a private contract, backed by UNH, for a company like Diverse Biotech to engage in an activity that the state explicitly does not want others to do, which is promoting, distributing, purchasing, and selling industrial hemp. While understanding the efforts to conduct medical research, such research should be separated from the promotion, distribution, purchasing, and selling industrial hemp.
 - Ms. Vnook said she understood the committee's hesitation. The language was meant to be broad in case the federal government or the state offered regulatory clarity on industrial hemp in the future. It was not meant to give Diverse Biotech an advantage over any other company. If industrial hemp could be used as a drug or a food additive following regulatory clarity at the federal level, Diverse Biotech could then be on the forefront in offering a truly unique product based on research conducted with UNH.

Summary of testimony presented in opposition: None.

Neutral Information Presented: None.

GJR

Date Hearing Report completed: February 4, 2020.

Speakers

Voting Sheets

Senate Energy & Natural Resources Committee

EXECUTIVE SESSION RECORD

2020-2021 Session

Bill # SB 669

Hearing date: 02/04/2020

Executive Session date: 02/18/2020

Motion of: Amendment 2020-0563s Vote: 4-0

Committee Member	Present	Made by	Second	Yes	No
Sen. Fuller Clark, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Feltes, Vice Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Watters	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Bradley	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Giuda	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Motion of: OTPA Vote: _____

Committee Member	Present	Made by	Second	Yes	No
Sen. Fuller Clark, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Feltes, Vice Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Watters	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Bradley	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Giuda	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Motion of: _____ Vote: _____

Committee Member	Present	Made by	Second	Yes	No
Sen. Fuller Clark, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Feltes, Vice Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Watters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Giuda	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reported out by: Giuda

Notes: _____

Committee Report

ENERGY AND NATURAL RESOURCES

SB 669, relative to authorization to grow industrial hemp.

Ought to Pass with Amendment, Vote 4-0.

Senator Bob Giuda for the committee.

Docket of SB669

Bill Title: relative to authorization to grow industrial hemp.

Official Docket of **SB669**..:

Date	Body	Description
1/14/2020	S	Introduced 01/08/2020 and Referred to Energy and Natural Resources; SJ 2
1/29/2020	S	Hearing: 02/04/2020, Room 103, SH, 09:00 am; SC 5
2/19/2020	S	Committee Report: Ought to Pass with Amendment #2020-0722s , 03/05/2020; SC 9
3/5/2020	S	Committee Amendment #2020-0722s , AA, VV; 03/05/2020; SJ 5
3/5/2020	S	Ought to Pass with Amendment 2020-0722s, MA, VV; OT3rdg; 03/05/2020; SJ 5
6/3/2020	H	Introduced 03/12/2020 and referred to Environment and Agriculture
6/30/2020	H	Vacated and Laid on Table MA VV 06/30/2020

NH House

NH Senate

Other Referrals

Senate Inventory Checklist for Archives

Bill Number: SB669

Senate Committee: Senate ENR Committee

Please include all documents in the order listed below and indicate the documents which have been included with an "X" beside

Final docket found on Bill Status

Bill Hearing Documents: (Legislative Aides)

- Bill version as it came to the committee
- All Calendar Notices
- Hearing Sign-up sheet(s)
- Prepared testimony, presentations, & other submissions handed in at the public hearing
- Hearing Report
- Revised/Amended Fiscal Notes provided by the Senate Clerk's Office

Committee Action Documents: (Legislative Aides)

All amendments considered in committee (including those not adopted):

- amendment # 0542s - amendment # 0722s
- amendment # 0563s - amendment # _____
- Executive Session Sheet
- Committee Report

Floor Action Documents: (Clerk's Office)

All floor amendments considered by the body during session (only if they are offered to the senate):

- amendment # _____ - amendment # _____
- amendment # _____ - amendment # _____

Post Floor Action: (if applicable) (Clerk's Office)

- Committee of Conference Report (if signed off by all members. Include any new language proposed by the committee of conference):
- Enrolled Bill Amendment(s)
- Governor's Veto Message

All available versions of the bill: (Clerk's Office)

- as amended by the senate as amended by the house
- final version

Completed Committee Report File Delivered to the Senate Clerk's Office By:

Griffin Roberge
Committee Aide

07-06-2020
Date

Senate Clerk's Office _____