

MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Monday, April 08, 2019
TIME: 10:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairwoman Lodge, Senators Erickson(Hill), Winder, Vick, Anthon, Stennett, and McCoy(Buckner-Webb)
ABSENT/ EXCUSED: Vice Chairman Harris and Senator Souza

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairwoman Lodge** called the Senate State Affairs Committee (Committee) to order at 10:04 a.m.

H 300 RELATING TO HEMP to provide for the interstate transport of hemp.

Representative Caroline Nilsson Troy, District 5, described **H 300** as reflecting some of the language that was in **H 122aa**. **H 300** specifically deals with interstate transportation. The concern has been that, by limiting this bill to transportation, it is not giving any legislative intent to consider looking into the future with hemp and hemp production within the state. Idaho is now one of only two states that don't have any legislative intent for hemp.

Representative Troy explained the bill beginning with the definitions on line 10, page 1. She concentrated on the definition of hemp and what was approved and what was illegal; she then proceeded through the definitions. Referring to line 30 under (a), the first amendment would add the words "or foreign country" after foreign state. The reason for this change is that hemp is lawful in Canada, but it is uncertain if it may cross international borders. This change ensures Idaho has the authority to regulate the transport of hemp from a foreign country through Idaho.

Representative Troy followed through to page 2, line 2, with a suggested amendment that would add "which shall be enforced by the director" at the end of that line. She explained the director would be the only one to recognize the type of pests that would fall under this section. The next amendment would be on page 2, line 34, and would add the following words at the end of (k): "However, the provisions of this section shall not be construed to apply to any material or product derived from hemp that contains no quantity of delta-9 tetrahydrocannabinol concentration, as described in Idaho Code § 37-2705(d)(27), and is not derived from the prohibited parts of the marijuana plant, as provided in Idaho Code § 37-2701(t)." There is concern that **H 300**, as written, would regulate hemp products that are currently legal. An attempt is being made to ensure any material or product derived from hemp that is currently legal is not regulated by the provisions of this new section. **Representative Troy** outlined the fourth change to the language in the current bill: on page 2, line 37, insert "civil" before the word "penalties." This addition will ensure that only the fees and civil penalties authorized and collected under the new section are deposited into the Hemp Development Fund; it would not include criminal fines (see attachment 1).

Representative Troy told the Committee that the next change would add a new Section 2. She explained that, as Idaho proceeds forward when the U.S. farm bill is "rolled out," there will be federal guidelines for hemp production. The objective is to make it clear that Idaho continues its primacy over these issues. It is suggested to add this legislative intent language, not to change code but to provide some intent that the director of the Idaho State Department of Agriculture (ISDA), in consultation with the Governor and the director of the Idaho State Police (ISP), develop and submit a plan to the U.S. Secretary of Agriculture and allow for the research and production of hemp to the greatest extent allowed under federal regulation (see attachment 1).

Representative Troy described a new Section 3 to be placed in session law, not in code. It is also legislative intent to describe the benefits of hemp, its commercial uses, and why it is important to Idaho and Idaho agriculture. The intent of these two new sections is to authorize a state plan and request that the ISDA and the ISP prepare for the 2020 growing season. These changes are also to make it clear that the Legislature will investigate this issue so it will understand what the plan looks like and what the rules will look like before putting anything into code. The emergency clause will stay in place and make that Section 4 instead of Section 2 (see attachment 1).

Representative Troy discussed in detail the changes in the Statement of Purpose and the fiscal note for this bill (see attachment 2).

DISCUSSION: **Senator Winder** asked if hemp could be clarified by identifying that as industrial hemp. **Representative Troy** responded that could be clarified by saying "hemp and industrial hemp."

Senator Anthon said, for the record, the intent of this bill is not to legalize recreational or medical marijuana. **Representative Troy** answered that this bill does nothing to legalize either of those and hemp cannot be legally grown in Idaho until a state plan is submitted and approved by the USDA.

Senator Stennett questioned the fiscal note and the ISDA responsibilities for this new program, and if they were a part of fabricating these changes. **Representative Troy** said the Statement of Purpose also has to be corrected because it says ISP is to do the permitting; ISDA does the permitting already. She also indicated they work with the ISDA. They will use the same type of system as the brand inspection system. **Senator Stennett** said it sounds like ISP will have to do stops and there is nothing in the fiscal note to say what burden that will put on ISP. **Representative Troy** said ISP already checks trucks coming through the state and also checks for all their permits. This adds just one more permit. **Senator Stennett** asked why there is nothing to retroactively decriminalize drivers. **Representative Troy** said hemp is illegal in Idaho and that information is easily accessible.

TESTIMONY: **Phil Haunschild**, representing the Idaho Freedom Foundation, stated he concurs with the sponsor and recommends that the bill goes to the amending order. The amendments before the Committee will improve the bill. The main concern was the permitting process and that out-of-state drivers had to make a special effort to get a separate permit. He would recommend some kind of reciprocity.

DISCUSSION: **Senator Stennett** questioned what the fee would be or the difficulty to obtain a permit. **Representative Troy** said that Idaho already has separate permit fees for commercial vehicles from other states.

Senator Vick inquired about the reason the State Department of Transportation has its own permits. **Representative Troy** stated the USDA has indicated they expect states to have their own permits.

Senator Winder explained that, from his perspective, the difference is that the states around Idaho grow marijuana. The difficulty in identifying the difference between industrial hemp and marijuana at the road side is a valid reason for permits and permit fees. **Representative Troy** agreed. **Senator Winder** asked if the term "hemp" should be changed to "industrial hemp." **Senator Abby Lee**, District 9, stated they don't have a problem with the change. **Senator Winder** referred to line 15 of page 1, and after "hemp," add "commonly known as industrial hemp." **Senator Lee** responded that others were involved but it probably would not substantially change anything. If that is helpful, they would concur.

MOTION: **Senator Vick** moved to send **H 300** to the 14th Order of Business for possible amendment. **Senator Anthon** seconded the motion. The motion carried by **voice vote**.

ADJOURNED: There being no further business, **Chairwoman Lodge** adjourned the meeting at 10:33 a.m.

Senator Lodge
Chair

Twyla Melton
Secretary