

3-11-97 Do Pass  
4/1/97 Referred to Agriculture

FEB 28 1997  
Agriculture

HOUSE FILE 402  
BY DODERER, BOGCESS, DOLECHECK,  
and BURNETT

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act providing for research regarding the production and  
2 marketing of industrial hemp.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 402

1 Section 1. INDUSTRIAL HEMP -- RESEARCH BY IOWA STATE  
2 UNIVERSITY.

3 1. As used in this section, "industrial hemp" means  
4 cannabis sativa L. which has a percentage of  
5 tetrahydrocannabinol of not more than one percent.

6 2. The general assembly finds that there is a trend among  
7 states to consider the economic importance of industrial hemp,  
8 which is a major crop in other nations. Industrial hemp  
9 historically has contributed to the economic welfare of this  
10 country, and is a renewable natural resource manufactured for  
11 textiles, pulp, paper, oil, and other products. The purpose  
12 of this Act is to promote the economy of this state by  
13 providing for research necessary to develop industrial hemp as  
14 a viable crop.

15 3. In carrying out this Act, Iowa state university shall  
16 do all of the following:

17 a. Collaborate with agencies of the United States  
18 government, including the drug enforcement administration of  
19 the United States department of justice, in order to produce  
20 and possess industrial hemp according to the terms and  
21 conditions required by the United States government. Iowa  
22 state university may execute any memorandum of understanding  
23 with a United States government agency in order to carry out  
24 this section, and may obtain any federal permit or other  
25 authorization required to carry out this Act.

26 b. Cooperate with law enforcement agencies and the  
27 department of agriculture and land stewardship in carrying out  
28 this Act.

29 4. Notwithstanding chapter 124, Iowa state university  
30 shall, to the extent permitted by the United States  
31 government, conduct research regarding the production and  
32 marketing of industrial hemp. The research shall include an  
33 analysis of all of the following:

34 a. The production of high quality seed varieties having  
35 proved adaptation and performance.

1     b. The feasibility of producing industrial hemp in this  
2 state as a profitable cash crop, including the adaptability of  
3 promising varieties to soils and growing conditions in this  
4 state.

5     c. The production of industrial hemp having the lowest  
6 possible percentage of tetrahydrocannabinol.

7     d. The development of good production practices, including  
8 best management practices for applying nutrients and  
9 pesticides; strategies to best conserve, maintain, and improve  
10 soil productivity; and methods to control disease.

11    e. The need for and availability of equipment and  
12 machinery required to efficiently and cost-effectively produce  
13 and harvest industrial hemp.

14    f. Market conditions affecting the economic viability of  
15 industrial hemp production, including the identification of  
16 markets, the utilization of products, processing methods, and  
17 other economic factors affecting the profitable marketing of  
18 industrial hemp.

19    5. The research shall be conducted as provided by Iowa  
20 state university, and may be carried out in part by the Iowa  
21 agricultural and home economics experiment station, including  
22 the Leopold center for sustainable agriculture. Research  
23 shall, to every extent possible, be determined by experimental  
24 trials when appropriate. The university shall cooperate with  
25 other states engaged in conducting similar research. The  
26 university shall seek financial support from public and  
27 private sources in order to carry out this Act, including  
28 associations representing agricultural producers. The  
29 university shall report the findings and recommendations of  
30 the study to the general assembly not later than January 15,  
31 1999.

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#### EXPLANATION

33    This section provides for research by Iowa state university  
34 regarding the production and marketing of industrial hemp  
35 which has a percentage of tetrahydrocannabinol of not more

1 than one percent. The bill notwithstanding Iowa's controlled  
2 substance Act and authorizes the university to collaborate  
3 with agencies of the United States government in order to  
4 produce and possess industrial hemp according to the terms and  
5 conditions required by the United States government. The bill  
6 requires the university to cooperate with law enforcement  
7 agencies and the department of agriculture and land  
8 stewardship in carrying out the bill's provisions. The bill  
9 authorizes the university to conduct research regarding the  
10 production of high quality seed varieties, the feasibility of  
11 producing industrial hemp in this state as a profitable cash  
12 crop, the production of industrial hemp having the lowest  
13 possible percentage of tetrahydrocannabinol, the development  
14 of good production practices, the need for and availability of  
15 suitable equipment and machinery, and market conditions  
16 affecting the economic viability of industrial hemp  
17 production. The bill requires the university to cooperate  
18 with other states engaged in conducting similar research, and  
19 to seek financial support from public and private sources.  
20 The bill requires the university to report its findings and  
21 recommendations to the general assembly not later than January  
22 15, 1999.

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**HOUSE FILE 402  
FISCAL NOTE**

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A fiscal note for **House File 402** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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House File 402 requires Iowa State University to conduct research relating to industrial hemp. The Bill specifies collaboration with federal agencies and cooperation with law enforcement agencies and the Iowa Department of Agriculture and Land Stewardship. The Bill specifies various items that the research analysis is to include. The Bill requires Iowa State University to cooperate with other states conducting similar research and to seek financial support from public and private sources to perform the requirements of the Bill. A report of findings and recommendations is to be made by January 15, 1999.

**ASSUMPTIONS**

1. Iowa State University will conduct the research specified relating to industrial hemp.
2. Iowa State University will expend approximately \$200,000 during FY 1998 and \$100,000 during FY 1999 to conduct the research and perform the duties required in the Bill.
3. Sixty percent of the planned expenditures is personnel expense and forty percent is for support.
4. Iowa State University will seek financial support from public and private sources as specified in the Bill to provide funds for the planned expenditures.

**FISCAL IMPACT**

There is no fiscal impact upon the State expected from enactment of House File 402. (LSB 221yh, SLL)

FILED MARCH 17, 1997

BY DENNIS PROUTY, FISCAL DIRECTOR