

MINUTES

Industrial Hemp Study

Representative Lee Qualm, Chair
Senator Rocky Blare, Vice Chair



**Fourth Meeting, 2019 Interim
Monday, December 02, 2019**

**Room 413 – State Capitol
Pierre, South Dakota**

The fourth meeting of the Industrial Hemp Study Committee was called to order by Representative Lee Qualm, Chair, at 2:00 PM in room 413 of the State Capitol in Pierre. A quorum was determined with the following members answering roll call: Representatives Shawn Bordeaux (via phone), Bob Glanzer, Tim Goodwin, Randy Gross, Oren Lesmeister, and Nancy York; Senators Joshua Klumb, Reynold Nesiba, and Red Dawn Foster (via phone); Senator Rocky Blare, Vice Chair; and Representative Lee Qualm, Chair.

Staff members present included Amanda Marsh, Senior Research Analyst; and Cindy Tryon, Senior Legislative Secretary.

NOTE: For purpose of continuity, the following minutes are not necessarily in chronological order. Also, all referenced documents distributed at the meeting are attached to the original minutes on file in the Legislative Research Council office. This meeting was webcast live. The archived webcast is available at the LRC website at sdlegislature.gov.

Approval of Minutes

A motion was made by Senator Klumb, seconded by Representative Goodwin, to approve the minutes of the Monday, October 7, 2019, Industrial Hemp Study Committee meeting. Motion prevailed on a voice vote.

Committee Discussion

Representative Lesmeister reported on a Hemp Building Summit he attended in Idaho in October. There are an amazing number of products used in the building industry today that are made using hemp. There is fiberglass insulation made from hemp that is rodent-proof, waterproof, and most insects want nothing to do with it. Hempcrete is used in building houses. Hemp boards can be made to look like any natural wood the builder selects.

Hemp has been used for years in house building around the world. There is a 150-year old house still standing in Ireland made from hemp and mud.

Representative York said she can support hemp being grown for grain to be used in these types of hemp products. It is the use of hemp being grown for CBD oil and to be used in medicines she cannot support.

Representative Lesmeister said the CBD craze is starting to lessen and more people are getting involved in using hemp for building materials. There were over 400 people in attendance at the Hemp Building Summit.

Representative Qualm said he knows many people who have successfully used CBD oil for various health issues.

Representative Qualm said he has requested a letter be drafted to be sent to the USDA regarding the fact the USDA Industrial Hemp rules do not include a requirement for official paperwork to be carried when transporting hemp. The letter will request the USDA add such a requirement to the federal Industrial Hemp regulations. Adding such a requirement will assist law enforcement and legitimate transport companies throughout the country. The Attorney General will also be reviewing the draft. Other states may be asked to sign on to the letter.

Draft Legislation

Representative Qualm presented a working document of bill draft 236 for committee discussion and revisions. The title of the draft bill is *An Act to legalize the growth, production, and processing of industrial hemp and derivative products in the state, and to declare an emergency.*

The committee discussed various parts of the legislation. The penalty section should change the Class 3 felony to a Class 4 felony for anyone possessing industrial hemp material without an authorized license.

Representative Gross suggested changing the time frame for a license from one year to 15 months to better fit the growing and marketing cycle. The committee also discussed making the transportation permits also good for 15 months.

Representative York said the bill is well written, but the concern of legalizing hemp being a gateway to legalizing marijuana means she will not be able to support this legislation.

Representative Goodwin pointed out the emergency clause on the bill would allow growers to start planting industrial hemp as soon as April if the legislation passes.

Representative Lesmeister said it is important for the growers to start small and talk to the processors before planting. The horror stories are true but there are many more success stories.

A motion was made by Representative Lesmeister, seconded by Senator Klumb, to introduce Draft Bill 236, An Act to legalize the growth, production, and processing of industrial hemp and derivative products in the state, and to declare an emergency, with the committee changes. Motion prevailed on a roll call vote with 10 voting AYE, 1 voting NAY. Voting AYE: Bordeaux, Glanzer, Goodwin, Gross, Lesmeister, Foster, Klumb, Nesiba, Blare, and Qualm. Voting NAY: York.

Representative Qualm will carry the bill in the House and Senator Klumb will carry the bill in the Senate.

Adjourn

A motion was made by Senator Klumb, seconded by Senator Nesiba, that the Industrial Hemp Study Committee be adjourned. The motion prevailed on a voice vote.

The Industrial Hemp Study Committee adjourned at 3:10 PM.