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House Bill 5439 (Substitute H-1 as reported without amendment)  
House Bill 5440 (as reported without amendment)  
Sponsor: Representative Kevin Daley (H.B. 5439)  
Representative Peter Pettalia (H.B. 5440)  
House Committee: Agriculture  
Senate Committee: Agriculture

### **CONTENT**

House Bill 5439 (H-1) would create the "Industrial Hemp Research Act" to allow the Michigan Department of Agriculture and Rural Development (MDARD) or a college or university in the State to grow or cultivate, or both, industrial hemp for research purposes under an agricultural pilot program or other agricultural or academic research project. ("Industrial hemp" would mean the plant *Cannabis sativa* L. and any part of the plant, whether growing or not, with a delta-9-tetrahydrocannabinol concentration of 0.3% or less on a dry weight basis.)

The Department or a college or university that transported industrial hemp as part of such a research project would have to include with the shipment a letter that provided notice that the shipment included industrial hemp authorized under the proposed Act.

The bill would allow a college or university to receive grants from the Federal government or any other source for the purpose of conducting research authorized under the Act.

The bill also would create the "Industrial Hemp Research Fund" within the State Treasury. The State Treasurer could receive money or other assets from any source for deposit into the Fund, including Federal research grants, and would have to credit to the Fund interest and earnings from Fund investments. Money in the Fund at the close of the fiscal year would remain in the Fund and would not lapse to the General Fund. The bill would allow MDARD to spend money from the Industrial Hemp Research Fund, upon appropriation, for only one or both of the following purposes: a) research into growing and/or cultivating industrial hemp; or b) providing grants to colleges or universities in this State to conduct research into growing and/or cultivating industrial hemp.

House Bill 5440 would amend Article 7 (Controlled Substances) of the Public Health Code to exclude industrial hemp from the definition of "marihuana". "Industrial hemp" would have the same definition as in House Bill 5439 (H-1).

MCL 333.7106 (H.B. 5440)

Legislative Analyst: Jeff Mann

### **FISCAL IMPACT**

House Bill 5439 (H-1) would have a minimal fiscal impact on State and local government. The proposed Industrial Hemp Research Fund could receive money from any source and money in the Fund could be spent by MDARD for various purposes, if authorized by an appropriation act. The extent to which the Fund would receive funding and the degree to

which MDARD would receive appropriations from the Fund cannot be determined at this time.

Colleges and universities also would be eligible to receive grants from the Industrial Hemp Research Fund, with the amounts dependent on future revenue to the Fund and legislative appropriations.

House Bill 5440 would have no fiscal impact on State or local government.

Date Completed: 12-8-14

Fiscal Analyst: Bruce Baker  
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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.