

MINUTES
HOUSE TRANSPORTATION & DEFENSE COMMITTEE

DATE: Thursday, April 11, 2019

TIME: 9:00 A.M.

PLACE: Room EW40

MEMBERS: Chairman Palmer, Vice Chairman Shepherd, Representatives Gestrin, Kauffman, Youngblood, Dixon, Harris, Holtzclaw, Monks, DeMordaunt, Syme, Blanksma, Addis, Ricks, Wintrow, Gannon, Davis, Rubel (Morales)

**ABSENT/
EXCUSED:** Representative(s) Holtzclaw

GUESTS: Nick Veldhouse, Highway Districts; Phil Hachschild, ID Freedom Foundation; Chelsea Wilson, PPA

Chairman Palmer called the meeting to order at 9:02 a.m.

MOTION: **Rep. Addis** made a motion to approve the minutes of the April 5, 2019, meeting.
Motion carried by voice vote.

H 300aaS: **Rep. Judy Boyle**, District 9, presented the amendments for **H 300aaS**. She stated the original legislation was needed for the interstate transport of hemp. Review of the 2018 Farm Bill (Farm Bill) and the court ruling, indicate no interstate transport is allowed until all of the Farm Bill processes, US Department of Agriculture (USDA) rules, and the federal plan are in place. At that point the transport can occur, if the commodity growing state has a plan approved or uses the USDA plan. The rules and plan are not expected to be in place until the fall of 2019.

Previously, the Idaho State Police(ISP) code was placed within the Agriculture code. The amendments now place the agriculture commodity within the ISP statute. The judge's opinion and the Farm Bill both say a state plan is not needed to allow the farmers to grow the commodity. Adopting the Farm Bill would actually be less costly.

Answering questions, **Rep. Boyle** said the best option is to not concur with the amendments, which will allow the USDA plan and rules to be in place so interstate transport can occur. Additionally, the Board of Pharmacy will have to promulgate temporary rules to comply with the changed federal Schedule 1 drugs regulation. At that point the USDA plan can be accepted through legislative action and farmers can grow this crop. This is the easiest, cleanest, and least expensive route for Idaho. The Farm Bill requires any state plan be formulated between the state's Chief Law Enforcement Officer, the Governor's Office, and the State Attorney General.

MOTION: **Rep. Gestrin** made a motion to not concur with the amendments made in the Senate to **H 300aaS**.

Rep. Boyle said, responding to additional questions, the ISP is not in agreement with hemp as an agriculture commodity. To achieve agreement between all three parties and stakeholders would be a lengthy process with no guarantee the plan would not be more restrictive than the USDA plan.

Rep. Caroline Troy, District 5, further presented **H 300aaS**. The amendments insert "foreign country" to provide for products imported from Canada and China. Enforcement is by the Director of the Idaho State Department of Agriculture (ISDA), who will understand the issue better than the ISP. Clarification is made for hemp products without delta-9 tetrahydrocannabinol (THC) concentration and not derived from the prohibited parts of the marijuana plant. The dedicated fund will receive revenues from fees and civil penalties.

The intent language allows Idaho primary plan development and submission authority through the negotiated rule making process, the Governor's office, and the ISP. Such rules would be expected in September or October. The Farm Bureau and food producers support the amendments and agree an Idaho plan should be developed by the Department of Agriculture and farmer stakeholders to assure all voices are heard.

Replying to questions, **Rep. Troy** explained there may not be any faster path because everyone is awaiting the federal plan before proceeding. By starting negotiated rule making now, farmers can prepare to plant seeds next spring. The fiscal note revision removes ISP permit issuance of interstate transport permits, which will be done by the ISDA Director as part of the Idaho plan.

Rep. Boyle, clarified products with THC are already illegal, so another stipulation is not needed. The USDA has 60 days to approve or not approve an Idaho plan. The Farm Bill eliminates the need for any state corrective action plan, unless it is a USDA or state plan violation. Any violation would require a new plan and the approval of both the USDA Secretary and the US Attorney General.

The USDA plan, in her opinion, would not require additional staff for plan development. If the USDA plan does not work, we can develop an Idaho plan, which can be more, but not less, restrictive.

SUBSTITUTE MOTION:

Rep. Kauffman made a substitute motion to concur with the amendments made in the Senate to **H 300aaS**.

ROLL CALL VOTE:

Roll call vote was requested. **Motion failed by a vote of 5 AYE, 12 NAY, 1 Absent/Excused. Voting in favor of the motion: Reps. Kauffman, Youngblood, Syme, Ricks, and Davis. Voting in opposition to the motion: Chairman Palmer, Reps. Shepherd, Gestrin, Dixon, Harris, Monks, DeMordaunt, Blanksma, Addis, Wintrow, Gannon, and Rubel. Rep. Holtzclaw was absent/excused.**

VOTE ON ORIGINAL MOTION:

Chairman Palmer called for a vote on the motion to not concur with the amendments made in the Senate to **H 300aaS. Motion carried by voice vote.**

ADJOURN:

There being no further business to come before the committee, the meeting adjourned at 9:40 a.m.

Representative Palmer
Chair

Irene Moore
Secretary