

**SUBSTITUTE FOR
HOUSE BILL NO. 5439**

A bill to authorize the growing and cultivating of industrial hemp for research purposes; to authorize the receipt and expenditure of funding for research related to industrial hemp; and to prescribe the powers and duties of certain state agencies and officials and colleges and universities in this state.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "industrial hemp research act".

3 Sec. 2. As used in this act:

4 (a) "Department" means the department of agriculture and rural
5 development.

6 (b) "Fund" means the industrial hemp research fund created in
7 section 4.

1 (c) "Industrial hemp" means the plant *Cannabis sativa* L. and
2 any part of the plant, whether growing or not, with a delta-9-
3 tetrahydrocannabinol concentration of not more than 0.3% on a dry
4 weight basis.

5 Sec. 3. (1) The department or a college or university in this
6 state may grow or cultivate, or both, industrial hemp for purposes
7 of research conducted under an agricultural pilot program or other
8 agricultural or academic research project.

9 (2) The department or a college or university that transports
10 industrial hemp as part of a research project authorized under this
11 act shall include along with a shipment of industrial hemp a letter
12 on the department's or the college's or university's letterhead
13 that provides notice that the shipment includes industrial hemp
14 authorized under the industrial hemp research act.

15 (3) A college or university in this state may receive direct
16 grants from the federal government or any other source for the
17 purpose of conducting research authorized under this act.

18 Sec. 4. (1) The industrial hemp research fund is created
19 within the state treasury.

20 (2) The state treasurer may receive money or other assets from
21 any source for deposit into the fund, including federal research
22 grants. The state treasurer shall direct the investment of the
23 fund. The state treasurer shall credit to the fund interest and
24 earnings from fund investments.

25 (3) Money in the fund at the close of the fiscal year shall
26 remain in the fund and shall not lapse to the general fund.

27 (4) The department shall be the administrator of the fund for

1 auditing purposes.

2 (5) The department shall expend money from the fund, upon
3 appropriation, only for 1 or more of the following purposes:

4 (a) Research into growing or cultivating, or both, industrial
5 hemp.

6 (b) Providing grants to colleges or universities in this state
7 to conduct research into growing or cultivating, or both,
8 industrial hemp.

9 Enacting section 1. This act does not take effect unless House
10 Bill No. 5440 of the 97th Legislature is enacted into law.