A BILL TO BE ENTITLED
AN ACT TO CREATE AN INDEPENDENT COMMISSION TO STUDY THE
BENEFICIAL INDUSTRIAL USES OF INDUSTRIAL HEMP, INCLUDING THE
USE OF INDUSTRIAL HEMP OIL AS AN ALTERNATIVE FUEL AND THE
USE OF INDUSTRIAL HEMP FIBER IN CONSTRUCTION AND PAPER
PRODUCTS; TO STUDY THE ECONOMIC OPPORTUNITIES INDUSTRIAL
HEMP PROVIDES TO THE STATE; AND TO CONSIDER THE DESIRABILITY
AND FEASIBILITY OF AUTHORIZING INDUSTRIAL HEMP CULTIVATION
AND PRODUCTION AS A FARM PRODUCT IN NORTH CAROLINA.

The General Assembly of North Carolina enacts:

SECTION 1. The Study Commission to Study the Industrial Uses of
Industrial Hemp is created to study the many beneficial industrial uses of industrial
hemp, including the use of industrial hemp oil as an alternative fuel and the use of
industrial hemp fiber in construction and paper products; to study the economic
opportunities industrial hemp provides to the State; and to consider the desirability and
feasibility of authorizing industrial hemp cultivation and production as a farm product in
North Carolina. This Study Commission shall consist of fifteen members as follows:

1. Two appointed by the Governor.
2. Two appointed by the President Pro Tempore of the Senate.
3. Two appointed by the Speaker of the House of Representatives.
4. The chairman of the House Agriculture Committee.
5. The chairman of the Senate Agriculture Committee.
6. The Commissioner of Agriculture or the Commissioner's designee.
7. The President of the North Carolina Farm Bureau Federation, Inc., or
   the President's designee.
8. The Secretary of Commerce or the Secretary's designee.
9. The Dean of the Kenan-Flagler Business School at the University of
   North Carolina at Chapel Hill or the Dean's designee.
The Dean of The Fuqua School of Business, Duke University or the Dean's designee.

The Dean of the College of Agriculture and Life Sciences at North Carolina State University or the Dean's designee.

The Dean of the School of Agriculture and Environmental Sciences at North Carolina Agricultural and Technical State University or the Dean's designee.

Members shall be appointed for two-year terms beginning October 1 of each odd-numbered year. The cochairs of the Commission shall be the chairmen of the Senate and House Agriculture Committees respectively.

SECTION 2. Cochairs. – The Commission shall have two cochairs, one designated by the President Pro Tempore of the Senate and one designated by the Speaker of the House of Representatives from among their respective appointees. The Commission shall meet upon the call of the cochairs.

SECTION 3. Quorum. – A quorum of the Commission shall consist of eight members.

SECTION 4. Vacancies. – Any vacancy on the Commission shall be filled by the original appointing authority.

SECTION 5. Purpose and Duties. – The Commission shall have the following purposes and duties:

(1) The Commission shall conduct an in-depth examination of issues related to:

a. A review of current scientific and business literature on the many industrial uses of industrial hemp, including the uses of industrial hemp oil as an alternative fuel and motor oil; the uses of omega-3 rich industrial hemp seed and industrial hemp oil in snack foods, body care products, and food supplements; the uses of industrial hemp fibers as raw materials for construction and paper products and for fabric; and the uses of industrial hemp in the manufacture of recyclable car parts.

b. A review of scientific literature on the different types of hemp and how industrial hemp differs from hemp that is the illegal drug marijuana.

c. A review of current economic literature on the economic benefits of and the economic markets for the products made using industrial hemp.

d. A review of actions taken by the federal government and actions by other states to produce industrial hemp for its industrial uses.

e. An evaluation of the economic opportunities for the State that may result from producing industrial hemp as a farm product and to manufacture industrial hemp products.

f. Any other issues the Commission determines are pertinent.
(2) The Commission shall develop findings and recommendations, including any legislative proposals it determines to be appropriate, for consideration by the General Assembly.

SECTION 6. Expenses of Members. – Members of the Commission shall receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 7. Staff. – Upon the prior approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional staff to the Commission to aid in its work.

SECTION 8. Consultants. – The Commission may hire consultants to assist with the study as provided in G.S. 120-32.02(b).

SECTION 9. Meetings. – The Commission may meet in the Legislative Building or the Legislative Office Building upon the approval of the Legislative Services Commission.

SECTION 10. Report. – The Commission shall report its findings and recommendations to the General Assembly and the Environmental Review Commission on or before 1 December 2006, at which time the Commission shall terminate.

SECTION 11. Funding. – There is appropriated from the General Fund to the General Assembly the sum of thirty thousand dollars ($30,000) for the 2006-2007 fiscal year for the purpose of conducting the study provided for in this act.

SECTION 12. Effective Date. – This act becomes effective July 1, 2006.