

**STAFF MEASURE SUMMARY****House Committee On Agriculture and Natural Resources****Fiscal:** Has minimal fiscal impact**Revenue:** Has minimal revenue impact**Action Date:** 02/11/16**Action:** Do Pass With Amendments. (Printed A-Eng.)**Meeting Dates:** 02/09, 02/11**Vote:**

Yeas: 8 - Barreto, Esquivel, Frederick, Gorsek, Krieger, McKeown, McLain, Witt

Nays: 1 - Whitsett

**Prepared By:** Dan Roper, Committee Administrator**WHAT THE MEASURE DOES:**

Updates and clarifies provisions related to regulation of industrial hemp. Removes requirement that industrial hemp crops be grown in fields at least 2.5 acres in size. Authorizes registered grower to use any propagation method to produce industrial hemp and retain agricultural hemp seed for propagation for future years. Authorizes registered handlers who are also registered growers to process industrial hemp into commodities, products, or agricultural hemp seed at location where crop is located provided that processing complies with land use plans and applicable zoning ordinances. Specifies that registered agricultural hemp seed producer may sell seed only to registered grower or handler, in manner that complies with standards established by Director of Agriculture (Director), and only if seed meets packaging or label requirements and quality standards. Authorizes Director to adopt rules establishing packaging and labeling requirements and quality standards for agricultural hemp seed and authorizes State Department of Agriculture (ODA) to make available to registered growers information that identifies registered agricultural hemp seed producers from whom they may purchase seed. Authorizes certain laboratories to test industrial hemp seed produced or processed by registered grower, handler, or seed producer. Prohibits registered handler from selling hemp commodity or product intended for human consumption unless tested by laboratory to ensure it meets requirements established by Oregon Health Authority (OHA). Instructs ODA to adopt rules establishing protocols and procedures for testing industrial hemp commodities and products. Establishes standards and procedures for testing industrial hemp crop for tetrahydrocannabinol concentration. Authorizes ODA to revoke registration or refuse to register or renew grower, handler, or producer for violating provisions, rules, and laws related to industrial hemp. Specifies that all monies collected for violations are credited to ODA account. Specifies that Department of Agriculture may not consider industrial hemp or industrial hemp commodities or products to be adulterant for purposes of ORS chapter 616. Declares emergency, effective upon passage.

**ISSUES DISCUSSED:**

- Hemp was legalized in Oregon by Measure 91
- Expanding opportunities for Oregon businesses and rural economies through hemp industry
- Hemp cultivation, crop testing, testing products for human consumption, and registration
- Testing of hemp crops and products for THC concentrations
- Product possibilities from industrial hemp
- Cultivation practices and relationship with other Cannabis varieties
- Provisions of committee amendments

**EFFECT OF COMMITTEE AMENDMENT:**

Defines crop for purposes of industrial hemp as industrial hemp grown under single registration. Specifies that agricultural hemp may include all Cannabis varieties. Specifies that Department of Agriculture may not consider

industrial hemp or industrial hemp commodities or products to be adulterant for purposes of ORS chapter 616. Authorizes certain laboratories to test industrial hemp commodities and products. Establishes standards and procedures for testing industrial hemp crop for tetrahydrocannabinol concentration. Removes provisions limiting civil penalty imposed by Department of Agriculture on grower, handler, or agricultural hemp seed producer to \$2500 for violation of any statutory law or department rule related to agricultural activities other than industrial hemp operations.

**BACKGROUND:**

Industrial hemp is an agricultural product that is subject to regulation by the Oregon Department of Agriculture (ODA). All growers and handlers must have an industrial hemp license issued by ODA. Growers and handlers engaged in the production of agricultural hemp seed must also have an agricultural hemp seed production permit.

Agricultural hemp seed means *Cannabis sativa* seed that meets labeling, quality and other standards set by the ODA Director and that is intended for sale to licensed growers for planting. A grower is defined as a person, joint venture or cooperative that produces industrial hemp. A handler is defined as person, joint venture or cooperative that receives industrial hemp for processing into commodities, products or agricultural hemp seed.

In 2009, the Legislature enacted Senate Bill 676 which authorized the production, possession and commerce in industrial hemp commodities and products. House Bill 4060 A would update and clarify provisions related to the regulation of industrial hemp.