

## HOUSE AMENDMENTS TO HOUSE BILL 2371

By COMMITTEE ON AGRICULTURE AND NATURAL RESOURCES

April 21

1 On page 1 of the printed bill, line 2, after the semicolon insert “creating new provisions;  
2 amending ORS 475B.245, 571.300 and 571.305 and sections 9, 9a and 12, chapter 71, Oregon Laws  
3 2016; repealing section 7, chapter 71, Oregon Laws 2016;”.

4 Delete lines 4 through 30 and delete page 2 and insert:  
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### “OREGON INDUSTRIAL HEMP AGRICULTURAL PILOT RESEARCH PROGRAM

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9 “**SECTION 1.** Sections 2 and 3 of this 2017 Act are added to and made a part of ORS  
10 571.300 to 571.315.

11 “**SECTION 2.** ORS 571.300 to 571.315 shall be known and may be cited as the ‘Oregon In-  
12 dustrial Hemp Agricultural Pilot Research Program Act.’

13 “**SECTION 3.** The Oregon Industrial Hemp Agricultural Pilot Research Program is cre-  
14 ated for the purpose of studying the growth, cultivation and marketing of industrial hemp  
15 in this state. The State Department of Agriculture shall implement the program. To imple-  
16 ment the program, the department:

17 “(1) Shall administer ORS 571.300 to 571.315;

18 “(2) Shall adopt by rule any record keeping and reporting requirements necessary to ad-  
19 minister the program; and

20 “(3) May exercise any other power or perform any other function necessary to administer  
21 the program.

### “AGRICULTURAL HEMP SEED CERTIFICATE PROGRAM

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25 “**SECTION 4.** Section 5 of this 2017 Act is added to and made a part of ORS 571.300 to  
26 571.315.

27 “**SECTION 5.** (1) For purposes of ORS 633.511 to 633.750, agricultural hemp seed is an  
28 agricultural seed or a flower seed, as those terms are defined in ORS 633.511.

29 “(2) The Director of Agriculture, or the director’s agent, and the Dean of the College of  
30 Agricultural Sciences of Oregon State University, or the dean’s agent, shall establish a pro-  
31 gram for the labeling and certification of agricultural hemp seed. For purposes of the pro-  
32 gram:

33 “(a) The director and the dean shall perform their respective duties under ORS 633.511  
34 to 633.750 with respect to agricultural hemp seed in the same manner that the director and  
35 dean perform their respective duties under ORS 633.511 to 633.750 with respect to agricul-

1 tural seed or flower seed, including those duties related to labeling, testing and certifying  
2 seeds; and

3 “(b) The director and the dean shall exercise their respective functions and powers under  
4 ORS 633.511 to 633.750 with respect to agricultural hemp seed in the same manner that the  
5 director and dean exercise their respective functions and powers under ORS 633.511 to 633.750  
6 with respect to agricultural seed or flower seed, including inspecting and sampling seeds and  
7 establishing rules and regulations pursuant to ORS 633.680.

8 “(3) Notwithstanding subsections (1) and (2) of this section, if the director determines  
9 that a specific provision of ORS 633.511 to 633.750, or a specific rule or regulation adopted  
10 under ORS 633.511 to 633.750, that applies to agricultural seed or flower seed is inadequate  
11 or not suitable for the regulation of agricultural hemp seed, the director may by rule exempt  
12 agricultural hemp seed from the provision, rule or regulation and adopt more adequate or  
13 suitable standards.

14 “(4)(a) The director and the dean shall collaborate with growers registered under ORS  
15 571.305 in performing their respective duties and exercising their respective functions and  
16 powers under ORS 633.511 to 633.750 with respect to agricultural hemp seed.

17 “(b) The director and the dean may collaborate with growers registered under ORS  
18 571.305 and other stakeholders to develop a heritage agricultural hemp seed for this state.

19 “(5)(a) The director and the dean may collaborate with entities authorized under the laws  
20 of other states to certify seeds in performing their respective duties and exercising their  
21 respective functions and powers under ORS 633.511 to 633.750 with respect to agricultural  
22 hemp seed.

23 “(b) Oregon State University may import Cannabis seed into this state for purposes re-  
24 lated to establishing the program required by this section. Notwithstanding any other law to  
25 the contrary, the university is exempt from any law imposing criminal liability for importing  
26 Cannabis seed provided that the university imports Cannabis seed for purposes described in  
27 this subsection.

28 “(6) A grower registered under ORS 571.305 is not required to use, for purposes related  
29 to growing industrial hemp, an agricultural hemp seed variety certified pursuant to the  
30 program required by this section.

31 “(7) The State Department of Agriculture may establish by rule waivers to, or ex-  
32 emptions from, tests that would otherwise be conducted to determine a crop’s average  
33 tetrahydrocannabinol concentration, for crops planted with agricultural hemp seed varieties  
34 certified pursuant to the program required by this section.

35  
36 “TESTING

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38 “**SECTION 6.** Section 9, chapter 71, Oregon Laws 2016, is amended to read:

39 “**Sec. 9.** (1) For purposes of this section, ‘consumption’ means to ingest, inhale or topically apply  
40 to the skin or hair.

41 “[2] (2)(a) A laboratory licensed by the Oregon Liquor Control Commission under ORS  
42 475B.560 and accredited by the Oregon Health Authority pursuant to ORS 475B.565 may test in-  
43 dustrial hemp and industrial hemp commodities and products produced or processed by a grower,  
44 handler or agricultural hemp seed producer registered under ORS 571.305.

45 “(b) An accredited independent testing laboratory that has been approved by the Oregon

1 **Health Authority, the Department of Environmental Quality or the State Department of**  
2 **Agriculture may test industrial hemp and industrial hemp commodities and products**  
3 **produced or processed by a grower, handler or agricultural hemp seed producer registered**  
4 **under ORS 571.305.**

5 “(3) A handler registered under ORS 571.305 may not sell an industrial hemp commodity or  
6 product that is intended for human consumption unless the commodity or product is tested by a  
7 laboratory described in subsection (2) of this section to ensure that the commodity or product meets  
8 the requirements adopted by the Oregon Health Authority under ORS 475B.555 (1)(a) and (b) and (2)  
9 for testing marijuana items.

10 “(4) For purposes of this section, the State Department of Agriculture shall adopt rules:

11 “(a) Establishing protocols for the testing of industrial hemp commodities and products; and

12 “(b) Establishing procedures for determining batch sizes and for sampling industrial hemp com-  
13 modities and products.

14 “(5) **This section does not apply to:**

15 “(a) **Agricultural hemp seed;**

16 “(b) **Seeds of the plant genus Cannabis within the plant family Cannabaceae that are in-**  
17 **capable of germination;**

18 “(c) **Oil or cake made from seeds described in paragraph (b) of this subsection; or**

19 “(d) **Other parts of industrial hemp as identified by the department by rule.**

20 “**SECTION 7.** Section 9a, chapter 71, Oregon Laws 2016, is amended to read:

21 “**Sec. 9a.** (1) The State Department of Agriculture may enter into an agreement with the Oregon  
22 Health Authority for the purpose of developing standards for investigating and testing an industrial  
23 hemp crop [*to ensure that the crop contains an*] **to determine the** average tetrahydrocannabinol  
24 concentration [*that does not exceed 0.3 percent on a dry weight basis*] **of the crop.**

25 “(2) In accordance with standards developed under subsection (1) of this section, a laboratory  
26 [*licensed by the Oregon Liquor Control Commission under ORS 475B.560 and accredited by the au-*  
27 *thority pursuant to ORS 475B.565*] **described in section 9, chapter 71, Oregon Laws 2016,** may test  
28 an industrial hemp crop for the purpose of determining the average tetrahydrocannabinol concen-  
29 tration of the crop. **The laboratory must provide the test results to the department in a form**  
30 **and manner prescribed by the department.**

31 “[*(3) A laboratory described in subsection (2) of this section must provide the test results to the*  
32 *department in a form and manner prescribed by the department.*]

33 “**SECTION 8.** **Sections 9 and 10 of this 2017 Act are added to and made a part of ORS**  
34 **571.300 to 571.315.**

35 “**SECTION 9.** **For purposes related to violation of section 9 or 9a, chapter 71, Oregon**  
36 **Laws 2016, where the grower or handler registered under ORS 571.305 does not know of the**  
37 **violation, the State Department of Agriculture may establish by rule or order processes**  
38 **providing for the remediation of the violation.**

39 “**SECTION 10.** **The State Department of Agriculture may charge growers and handlers**  
40 **registered under ORS 571.305 fees reasonably calculated by the department to pay the cost**  
41 **of sampling or testing industrial hemp or industrial hemp commodities or products under**  
42 **sections 9 and 9a, chapter 71, Oregon Laws 2016. Moneys from fees charged under this sec-**  
43 **tion shall be deposited in the Industrial Hemp Fund established under section 18 of this 2017**  
44 **Act.**

1 "IDENTIFICATION DOCUMENTATION

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3 "SECTION 11. Section 12 of this 2017 Act is added to and made a part of ORS 571.300 to  
4 571.315.

5 "SECTION 12. (1) The State Department of Agriculture shall develop standard identifi-  
6 cation documentation for industrial hemp and industrial hemp commodities or products. The  
7 department shall, upon request, issue identification documentation developed under this  
8 section to growers and handlers registered under ORS 571.305.

9 "(2) The department may charge growers and handlers registered under ORS 571.305 fees  
10 reasonably calculated by the department to pay the cost of developing and issuing identifi-  
11 cation documentation developed under this section. Moneys from fees charged under this  
12 section shall be deposited in the Industrial Hemp Fund established under section 18 of this  
13 2017 Act.

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15 "PERSONAL POSSESSION

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17 "SECTION 13. Section 14 of this 2017 Act is added to and made a part of ORS 571.300 to  
18 571.315.

19 "SECTION 14. ORS 571.300 to 571.315 do not apply to the production or storage of  
20 homegrown plants in the genus Cannabis within the plant family Cannabaceae at a household  
21 by one or more persons 21 years of age or older, if the total amount of homegrown plants  
22 at the household does not exceed four plants at any time.

23 "SECTION 14a. ORS 475B.245, as amended by section 27, chapter 23, Oregon Laws 2016, sec-  
24 tion 36, chapter 24, Oregon Laws 2016, and section 13, chapter 83, Oregon Laws 2016, is amended  
25 to read:

26 "475B.245. ORS 475B.025, 475B.030, 475B.033, 475B.035, 475B.040, 475B.045, 475B.050, 475B.055,  
27 475B.060, 475B.063, 475B.065, 475B.068, 475B.070, 475B.075, 475B.090, 475B.100, 475B.110, 475B.115,  
28 475B.125, 475B.130, 475B.135, 475B.140, 475B.145, 475B.150, 475B.160, 475B.165, 475B.170, 475B.180,  
29 475B.190, 475B.195, 475B.200, 475B.205, 475B.210, 475B.215, 475B.218, 475B.230, 475B.233, 475B.235,  
30 475B.240, 475B.325, 475B.330, 475B.335, 475B.340, 475B.345, 475B.350, 475B.353, 475B.355, 475B.358,  
31 475B.360, 475B.365, 475B.370 and 475B.373 and sections 2, 3, 4 and 5, chapter 83, Oregon Laws 2016,  
32 do not apply:

33 "(1) To the production or storage of homegrown [*marijuana*] plants in the genus Cannabis  
34 within the plant family Cannabaceae at a household by one or more persons 21 years of age and  
35 older, if the total amount of homegrown [*marijuana*] plants at the household does not exceed four  
36 [*marijuana*] plants at any time.

37 "(2) To the possession or storage of usable marijuana items at a household by one or more  
38 persons 21 years of age or older, if the total amount of usable marijuana at the household does not  
39 exceed eight ounces of usable marijuana at any time.

40 "(3) To the making, processing, possession or storage of cannabinoid products at a household  
41 by one or more persons 21 years of age and older, if the total amount of cannabinoid products at  
42 the household does not exceed 16 ounces in solid form at any time.

43 "(4) To the making, processing, possession or storage of cannabinoid products at a household  
44 by one or more persons 21 years of age and older, if the total amount of cannabinoid products at  
45 the household does not exceed 72 ounces in liquid form at any time.

1 “(5) To the making, processing, possession or storage of cannabinoid concentrates at a house-  
2 hold by one or more persons 21 years of age or older, if the total amount of cannabinoid concen-  
3 trates at the household does not exceed 16 ounces at any time.

4 “(6) To the possession of cannabinoid extracts at a household by one or more persons 21 years  
5 of age or older, if the cannabinoid extracts were purchased from a marijuana retailer that holds a  
6 license under ORS 475B.110, or transferred by a medical marijuana dispensary registered by the  
7 Oregon Health Authority under ORS 475B.450, and the total amount of cannabinoid extracts at the  
8 household does not exceed one ounce at any time.

9 “(7) To the delivery of not more than one ounce of usable marijuana at a time by a person 21  
10 years of age or older to another person 21 years of age or older for noncommercial purposes.

11 “(8) To the delivery of not more than 16 ounces of cannabinoid products in solid form at a time  
12 by a person 21 years of age or older to another person 21 years of age or older for noncommercial  
13 purposes.

14 “(9) To the delivery of not more than 72 ounces of cannabinoid products in liquid form at a time  
15 by a person 21 years of age or older to another person 21 years of age or older for noncommercial  
16 purposes.

17 “(10) To the delivery of not more than 16 ounces of cannabinoid concentrates at a time by a  
18 person 21 years of age or older to another person 21 years of age or older for noncommercial pur-  
19 poses.

## 20 21 “TETRAHYDROCANNABINOL CONCENTRATION 22

23 “**SECTION 15.** ORS 571.300, as amended by section 1, chapter 71, Oregon Laws 2016, is  
24 amended to read:

25 “571.300. As used in ORS 571.300 to 571.315:

26 “(1) ‘Agricultural hemp seed’ means Cannabis seed:

27 “(a) That is sold to or intended to be sold to registered growers for planting; or

28 “(b) That remains in an unprocessed or partially processed condition that is capable of  
29 germination.

30 “(2) ‘Crop’ means industrial hemp grown under a single registration.

31 “(3) ‘Grower’ means a person, joint venture or cooperative that produces industrial hemp.

32 “(4) ‘Handler’ means a person, joint venture or cooperative that receives industrial hemp for  
33 processing into commodities, products or agricultural hemp seed.

34 “(5) ‘Industrial hemp’:

35 “(a) Means all nonseed parts and varieties of the Cannabis plant, whether growing or not, that  
36 contain an average tetrahydrocannabinol concentration that does not exceed 0.3 percent on a dry  
37 weight basis **or a tetrahydrocannabinol concentration that does not exceed the concentration**  
38 **allowed under federal law, whichever is greater.**

39 “(b) Means any Cannabis seed:

40 “(A) That is part of a crop;

41 “(B) That is retained by a grower for future planting;

42 “(C) That is agricultural hemp seed;

43 “(D) That is for processing into or for use as agricultural hemp seed; or

44 “(E) That has been processed in a manner or to an extent that the Cannabis seed is incapable  
45 of germination.

1 “(c) Does not mean industrial hemp commodities or products.

2 “**SECTION 16.** ORS 571.305, as amended by section 2, chapter 71, Oregon Laws 2016, is  
3 amended to read:

4 “571.305. (1) To grow or handle industrial hemp, a person must be registered with the State  
5 Department of Agriculture as a grower or handler.

6 “(2)(a) Only a grower or handler registered under this section may produce agricultural hemp  
7 seed. For a grower or handler to produce agricultural hemp seed, the grower or handler must be  
8 registered with the department as an agricultural hemp seed producer.

9 “(b) Notwithstanding paragraph (a) of this subsection:

10 “(A) A grower registered under this section that retains agricultural hemp seed [*as described in*  
11 *section 7, chapter 71, Oregon Laws 2016,*] **for the purpose of personally propagating industrial**  
12 **hemp in a subsequent year** is not required to register with the department as an agricultural hemp  
13 seed producer; and

14 “(B) A grower or handler registered under this section that produces Cannabis seeds that are  
15 incapable of germination, or a handler registered under this section that processes Cannabis seeds  
16 that are incapable of germination into commodities or products, is not required to register with the  
17 department as an agricultural hemp seed producer.

18 “(3) An applicant for registration under this section must submit to the department, in a form  
19 and manner prescribed by the department, the following information:

20 “(a) The name and address of the applicant;

21 “(b) The name and address of the industrial hemp operation of the applicant; and

22 “(c) Any other information required by the department by rule.

23 “(4) Registration under this section is valid for a one-year term, beginning on January 1. A  
24 grower, handler or agricultural hemp seed producer may renew a registration under this section in  
25 a form and manner prescribed by the department.

26 “(5) A registration under this section is a personal privilege and is not transferable.

27 “(6) A grower or handler registered under this section must keep records as required by the  
28 department by rule. Upon not less than three days’ notice, the department may subject the records  
29 to inspection or audit during normal business hours. The department may make an inspection or  
30 audit for the purpose of ensuring compliance with:

31 “(a) A provision of ORS 571.300 to 571.315;

32 “(b) A rule adopted under a provision of ORS 571.300 to 571.315; or

33 “(c) An order issued by the department pursuant to a provision of ORS 571.300 to 571.315 or a  
34 rule adopted under a provision of ORS 571.300 to 571.315.

35 “(7) In addition to any inspection conducted pursuant to ORS 561.275, the department may in-  
36 spect any crop during the crop’s growth phase and take a representative composite sample for field  
37 analysis. If a crop contains an average tetrahydrocannabinol concentration exceeding 0.3 percent  
38 on a dry weight basis **or a tetrahydrocannabinol concentration in excess of the concentration**  
39 **allowed under federal law, whichever is greater**, the department may detain, seize or embargo  
40 the crop as provided under ORS 561.605 to 561.620, **subject to any process established under**  
41 **section 9 of this 2017 Act.**

42 “(8) The department may charge growers, handlers and agricultural hemp seed producers appli-  
43 cation, registration and renewal of registration fees reasonably calculated by the department to pay  
44 the cost of administering ORS 571.300 to 571.315. Moneys from fees charged under this subsection  
45 shall be deposited in the [*Department of Agriculture Service Fund and are continuously appropriated*

1 to the department for purposes of carrying out the duties of the department under ORS 571.300 to  
2 571.315.] **Industrial Hemp Fund established under section 18 of this 2017 Act.**

3 **“(9) The department may adopt rules establishing for growers and handlers registered**  
4 **under this section public health and safety standards and industry best practices.**

5  
6 **“INDUSTRIAL HEMP FUND**

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8 **“SECTION 17. Section 18 of this 2017 Act is added to and made a part of ORS 571.300 to**  
9 **571.315.**

10 **“SECTION 18. There is established in the State Treasury, separate and distinct from the**  
11 **General Fund, the Industrial Hemp Fund. The Industrial Hemp Fund shall consist of all**  
12 **moneys credited to or deposited in the fund. Moneys in the fund are continuously appropri-**  
13 **ated to the State Department of Agriculture for the purposes of implementing, administering**  
14 **and enforcing ORS 571.300 to 571.315.**

15 **“SECTION 19. Section 12, chapter 71, Oregon Laws 2016, is amended to read:**

16 **“Sec. 12. (1) Subject to the provisions of ORS chapter 183, the State Department of Agriculture**  
17 **may impose a civil penalty not to exceed \$2,500 on a grower, handler or agricultural hemp seed**  
18 **producer for violating:**

19 **“(a) A provision of ORS 571.300 to 571.315;**

20 **“(b) A rule adopted under a provision of ORS 571.300 to 571.315; or**

21 **“(c) An order issued by the department pursuant to a provision of ORS 571.300 to 571.315 or a**  
22 **rule adopted under a provision of ORS 571.300 to 571.315.**

23 **“(2) The department may not discipline a grower, handler or agricultural hemp seed producer**  
24 **under this section on the basis that possessing, delivering and manufacturing industrial hemp are**  
25 **prohibited by federal law.**

26 **“(3) All moneys collected by the department under this section shall be deposited in the [General**  
27 **Fund in the State Treasury to the credit of the Department of Agriculture Account. All moneys de-**  
28 **posited in the account pursuant to this section are continuously appropriated to the department for the**  
29 **purpose of administering ORS 571.300 to 571.315.] **Industrial Hemp Fund established under sec-****

30 **tion 18 of this 2017 Act.**

31  
32 **“REPEAL**

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34 **“SECTION 20. Section 7, chapter 71, Oregon Laws 2016, is repealed.**

35  
36 **“MISCELLANEOUS**

37  
38 **“SECTION 21. (1) Sections 2, 3, 5, 9, 10, 12, 14 and 18 of this 2017 Act, the amendments**  
39 **to ORS 475B.245, 571.300 and 571.305 and sections 9, 9a and 12, chapter 71, Oregon Laws 2016,**  
40 **by sections 6, 7, 14a, 15, 16 and 19 of this 2017 Act and the repeal of section 7, chapter 71,**  
41 **Oregon Laws 2016, by section 20 of this 2017 Act become operative on January 1, 2018.**

42 **“(2) The State Department of Agriculture, the Director of Agriculture, Oregon State**  
43 **University and the Dean of the College of Agricultural Sciences of Oregon State University**  
44 **may take any action before the operative date specified in subsection (1) of this section that**  
45 **is necessary to enable the department, director, university or dean to exercise, on and after**

1 the operative date specified in subsection (1) of this section, all the duties, powers and  
2 functions conferred on the department, director, university and dean by sections 2, 3, 5, 9,  
3 10, 12, 14 and 18 of this 2017 Act, the amendments to ORS 475B.245, 571.300 and 571.305 and  
4 sections 9, 9a and 12, chapter 71, Oregon Laws 2016, by sections 6, 7, 14a, 15, 16 and 19 of this  
5 2017 Act and the repeal of section 7, chapter 71, Oregon Laws 2016, by section 20 of this 2017  
6 Act.

7 “SECTION 22. The unit captions used in this 2017 Act are provided only for the conven-  
8 ience of the reader and do not become part of the statutory law of this state or express any  
9 legislative intent in the enactment of this 2017 Act.

10 “SECTION 23. This 2017 Act takes effect on the 91st day after the date on which the 2017  
11 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.”  
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