

**A-Engrossed**  
**Senate Bill 1015**

Ordered by the Senate June 7  
Including Senate Amendments dated June 7

Sponsored by Senator FERRIOLI

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

*[Specifies that industrial hemp commodities and products do not include cannabinoid concentrates or cannabinoid extracts.]*

*[Redefines, for purposes of Control and Regulation of Marijuana Act and Oregon Medical Marijuana Act, "cannabinoid concentrate" and "cannabinoid extract" to include any concentrate or extract made from plant Cannabis family Cannabaceae.]*

**Provides that industrial hemp grower may transfer industrial hemp, and that industrial hemp handler may transfer industrial hemp concentrates and extracts, to marijuana processor licensed by Oregon Liquor Control Commission under certain circumstances. Provides that industrial hemp, industrial hemp concentrates and industrial hemp extracts may be processed and sold to other licensees of commission. Becomes operative January 1, 2018.**

**Provides that person may not make retail sale of industrial hemp commodities or products in this state unless industrial hemp commodities or products and industrial hemp used to process those industrial hemp commodities or products meet same or substantially same requirements for processing industrial hemp commodities or products or growing industrial hemp under certain laws of this state.**

**Takes effect on 91st day following adjournment sine die.**

**A BILL FOR AN ACT**

1  
2 Relating to cannabis; creating new provisions; amending ORS 571.300; and prescribing an effective  
3 date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 571.300, as amended by section 1, chapter 71, Oregon Laws 2016, is amended  
6 to read:

7 571.300. As used in ORS 571.300 to 571.315:

8 (1) "Agricultural hemp seed" means Cannabis seed:

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

10 (b) That remains in an unprocessed or partially processed condition that is capable of  
11 germination.

12 (2) "Crop" means industrial hemp grown under a single registration.

13 (3) "Grower" means a person, joint venture or cooperative that produces industrial hemp.

14 (4) "Handler" means a person, joint venture or cooperative that receives industrial hemp for  
15 processing into commodities, products or agricultural hemp seed.

16 (5) "Industrial hemp":

17 (a) Means all nonseed parts and varieties of the Cannabis plant, whether growing or not, that  
18 contain an average tetrahydrocannabinol concentration that does not exceed 0.3 percent on a dry  
19 weight basis.

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (b) Means any Cannabis seed:

2 (A) That is part of a crop;

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

4 (C) That is agricultural hemp seed;

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

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

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

9 **(6) “Industrial hemp concentrate” means an industrial hemp product obtained by sepa-**  
10 **rating cannabinoids from industrial hemp by:**

11 **(a) A mechanical process;**

12 **(b) A chemical extraction process using a nonhydrocarbon-based solvent, such as water,**  
13 **vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;**

14 **(c) A chemical extraction process using carbon dioxide, provided that the process does**  
15 **not involve the use of high heat or pressure; or**

16 **(d) Any other process identified by the State Department of Agriculture by rule.**

17 **(7) “Industrial hemp extract” means an industrial hemp product obtained by separating**  
18 **cannabinoids from industrial hemp by:**

19 **(a) A chemical extraction process using a hydrocarbon-based solvent, such as butane,**  
20 **hexane or propane;**

21 **(b) A chemical extraction process using carbon dioxide, if the process uses high heat or**  
22 **pressure; or**

23 **(c) Any other process identified by the department by rule.**

24 **SECTION 2. Sections 3 and 4 of this 2017 Act are added to and made a part of ORS 571.300**  
25 **to 571.315.**

26 **SECTION 3. (1) As used in this section, “licensee,” “marijuana,” “marijuana item” and**  
27 **“marijuana processor” have the meanings given those terms in ORS 475B.015.**

28 **(2) A grower registered under ORS 571.305 may deliver industrial hemp, and a handler**  
29 **registered under ORS 571.305 may deliver industrial hemp concentrates and industrial hemp**  
30 **extracts, to a marijuana processor that holds a license issued under ORS 475B.090, if:**

31 **(a) The grower or handler and the marijuana processor are registered with the Oregon**  
32 **Liquor Control Commission, in a form and manner prescribed by the commission, for the**  
33 **purpose of processing industrial hemp, industrial hemp concentrates and industrial hemp**  
34 **extracts;**

35 **(b) The marijuana processor is provided with the results of any test conducted on the**  
36 **industrial hemp, industrial hemp concentrate or industrial hemp extract pursuant to ORS**  
37 **571.300 to 571.315 as a condition of the marijuana processor’s receiving the industrial hemp,**  
38 **industrial hemp concentrate or industrial hemp extract;**

39 **(c) The marijuana processor keeps the results of any test that the marijuana processor**  
40 **receives pursuant to paragraph (b) of this subsection in a form and manner prescribed by**  
41 **the commission;**

42 **(d) The industrial hemp, industrial hemp concentrate or industrial hemp extract is**  
43 **tracked using the system developed and maintained under ORS 475B.150 when the industrial**  
44 **hemp, industrial hemp concentrate or industrial hemp extract is delivered to the premises**  
45 **of the marijuana processor; and**

1 (e) The grower or handler and the marijuana processor meet any other requirement es-  
2 tablished by the commission by rule.

3 (3) Industrial hemp, industrial hemp concentrates and industrial hemp extracts may be  
4 processed by a marijuana processor registered under this section into any industrial hemp  
5 commodity or product or used by a marijuana processor registered under this section to  
6 supplement the processing of any marijuana item.

7 (4) An industrial hemp concentrate, industrial hemp extract, industrial hemp commodity  
8 or product or marijuana item processed pursuant to this section may be delivered by a  
9 marijuana processor registered under this section to a licensee as described in ORS 475B.160,  
10 provided that the industrial hemp concentrate, industrial hemp extract, industrial hemp  
11 commodity or product or marijuana item meets any applicable requirement for marijuana  
12 items set forth in ORS 475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to 475B.655 and  
13 rules adopted under ORS 475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to 475B.655.

14 (5) The commission may impose an annual fee reasonably calculated to not exceed the  
15 cost of administering this section on growers registered under this section, handlers regis-  
16 tered under this section and marijuana processors registered under this section. Fees col-  
17 lected under this section shall be deposited in the Marijuana Control and Regulation Fund  
18 established under ORS 475B.240. Moneys deposited in the fund pursuant to this subsection  
19 are continuously appropriated to the commission for the purpose of administering this sec-  
20 tion.

21 **SECTION 4.** A person may not make a retail sale of industrial hemp commodities or  
22 products in this state unless the industrial hemp commodities or products and the industrial  
23 hemp used to process the industrial hemp commodities or products meet the same or sub-  
24 stantially the same requirements for processing industrial hemp commodities or products  
25 or growing industrial hemp set forth in ORS 571.300 to 571.315 and rules adopted under ORS  
26 571.300 to 571.315. This section does not apply to the retail sale of industrial hemp commod-  
27 ities or products by a marijuana retailer, as defined in ORS 475B.015, that holds a license  
28 issued under ORS 475B.110.

29 **SECTION 5.** (1) Section 3 of this 2017 Act and the amendments to ORS 571.300 by section  
30 1 of this 2017 Act become operative on January 1, 2018.

31 (2) The Oregon Liquor Control Commission and the State Department of Agriculture may  
32 take any action before the operative date specified in subsection (1) of this section that is  
33 necessary to enable the commission and department to exercise, on and after the operative  
34 date specified in subsection (1) of this section, all the duties, functions and powers conferred  
35 on the commission and department by section 3 of this 2017 Act and the amendments to ORS  
36 571.300 by section 1 of this 2017 Act.

37 **SECTION 6.** This 2017 Act takes effect on the 91st day after the date on which the 2017  
38 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.

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