

Requested by Representative WILSON

**PROPOSED AMENDMENTS TO
HOUSE BILL 2371**

1 On page 1 of the printed bill, line 2, after the semicolon insert “creating
2 new provisions; amending ORS 571.300 and 571.305 and sections 9, 9a and 12,
3 chapter 71, Oregon Laws 2016; repealing section 7, chapter 71, Oregon Laws
4 2016;”.

5 Delete lines 4 through 30 and delete page 2 and insert:
6

7 **“OREGON INDUSTRIAL HEMP AGRICULTURAL
8 PILOT RESEARCH PROGRAM**

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

12 **“SECTION 2. ORS 571.300 to 571.315 shall be known and may be cited
13 as the ‘Oregon Industrial Hemp Agricultural Pilot Research Program
14 Act.’**

15 **“SECTION 3. The Oregon Industrial Hemp Agricultural Pilot Re-
16 search Program is created for the purpose of studying the growth,
17 cultivation and marketing of industrial hemp in this state. The State
18 Department of Agriculture shall implement the program. To imple-
19 ment the program, the department shall administer ORS 571.300 to
20 571.315 and adopt by rule any record keeping and reporting require-
21 ments necessary to administer the program.**

1 **“AGRICULTURAL HEMP SEED CERTIFICATE PROGRAM**

2
3 **“SECTION 4. Section 5 of this 2017 Act is added to and made a part**
4 **of ORS 571.300 to 571.315.**

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

8 **“(2) The Director of Agriculture, or the director’s agent, and the**
9 **Dean of the College of Agricultural Sciences of Oregon State Univer-**
10 **sity, or the dean’s agent, shall establish a program for the labeling and**
11 **certification of agricultural hemp seed. For purposes of the program:**

12 **“(a) The director and the dean shall perform their respective duties**
13 **under ORS 633.511 to 633.750 with respect to agricultural hemp seed in**
14 **the same manner that the director and dean perform their respective**
15 **duties under ORS 633.511 to 633.750 with respect to agricultural seed**
16 **or flower seed, including those duties related to labeling, testing and**
17 **certifying seeds; and**

18 **“(b) The director and the dean shall exercise their respective func-**
19 **tions and powers under ORS 633.511 to 633.750 with respect to agricul-**
20 **tural hemp seed in the same manner that the director and dean**
21 **exercise their respective functions and powers under ORS 633.511 to**
22 **633.750 with respect to agricultural seed or flower seed, including in-**
23 **specting and sampling seeds and establishing rules and regulations**
24 **pursuant to ORS 633.680.**

25 **“(3) Notwithstanding subsections (1) and (2) of this section, if the**
26 **director determines that a specific provision of ORS 633.511 to 633.750,**
27 **or a specific rule or regulation adopted under ORS 633.511 to 633.750,**
28 **that applies to agricultural seed or flower seed is inadequate or not**
29 **suitable for the regulation of agricultural hemp seed, the director may**
30 **by rule exempt agricultural hemp seed from the provision, rule or**

1 regulation and adopt more adequate or suitable standards.

2 “(4)(a) The director and the dean shall collaborate with growers
3 registered under ORS 571.305 in performing their respective duties and
4 exercising their respective functions and powers under ORS 633.511 to
5 633.750 with respect to agricultural hemp seed.

6 “(b) The director and the dean may collaborate with growers regis-
7 tered under ORS 571.305 and other stakeholders to develop a heritage
8 agricultural hemp seed for this state.

9 “(5)(a) The director and the dean may collaborate with entities au-
10 thorized under the laws of other states to certify seeds in performing
11 their respective duties and exercising their respective functions and
12 powers under ORS 633.511 to 633.750 with respect to agricultural hemp
13 seed.

14 “(b) Oregon State University may import Cannabis seed into this
15 state for purposes related to establishing the program required by this
16 section. Notwithstanding any other law to the contrary, the university
17 is exempt from any law imposing criminal liability for importing
18 Cannabis seed provided that the university imports Cannabis seed for
19 purposes described in this subsection.

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

23 “(7) The State Department of Agriculture may establish by rule
24 waivers to, or exemptions from, potency testing required by section
25 9a, chapter 71, Oregon Laws 2016, for crops planted with agricultural
26 hemp seed varieties certified pursuant to the program required by this
27 section.

28

29

“TESTING

30

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

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

5 **“(1) For purposes of this section ‘intended for human**
6 **consumption’ means:**

7 **“(a) Having the purpose of ingestion, inhalation or topical applica-**
8 **tion to the skin or hair; and**

9 **“(b) Containing cannabinoids or the leaves, stalk or flowers of in-**
10 **dustrial hemp.**

11 **“[(2)] (2)(a)** A laboratory licensed by the Oregon Liquor Control Com-
12 mission under ORS 475B.560 and accredited by the Oregon Health Authority
13 pursuant to ORS 475B.565 may test industrial hemp and industrial hemp
14 commodities and products produced or processed by a grower, handler or
15 agricultural hemp seed producer registered under ORS 571.305.

16 **“(b) An accredited independent testing laboratory that has been**
17 **approved by the Oregon Health Authority, the Department of Envi-**
18 **ronmental Quality or the State Department of Agriculture may test**
19 **industrial hemp and industrial hemp commodities and products**
20 **produced or processed by a grower, handler or agricultural hemp seed**
21 **producer registered under ORS 571.305.**

22 **“(3)** A handler registered under ORS 571.305 may not sell an industrial
23 hemp commodity or product that is intended for human consumption unless
24 the commodity or product is tested by a laboratory described in subsection
25 (2) of this section to ensure that the commodity or product meets the re-
26 quirements adopted by the Oregon Health Authority under ORS 475B.555
27 (1)(a) and (b) and (2) for testing marijuana items.

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

30 **“(a)** Establishing protocols for the testing of industrial hemp commodities

1 and products; and

2 “(b) Establishing procedures for determining batch sizes and for sampling
3 industrial hemp commodities and products.

4 **“(5) This section does not apply to agricultural hemp seed.**

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

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

13 **“(2)** In accordance with standards developed under subsection (1) of this
14 section, a laboratory [*licensed by the Oregon Liquor Control Commission un-*
15 *der ORS 475B.560 and accredited by the authority pursuant to ORS*
16 *475B.565*] **described in section 9, chapter 71, Oregon Laws 2016,** may test
17 an industrial hemp crop for the purpose of determining the average
18 tetrahydrocannabinol concentration of the crop. **The laboratory must pro-**
19 **vide the test results to the department in a form and manner pre-**
20 **scribed by the department.**

21 **“[(3)** *A laboratory described in subsection (2) of this section must provide*
22 *the test results to the department in a form and manner prescribed by the de-*
23 *partment.]*

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

26 **“SECTION 9.** For purposes related to violation of section 9 or 9a,
27 **chapter 71, Oregon Laws 2016, where the grower or handler registered**
28 **under ORS 571.305 does not know of the violation, the State Depart-**
29 **ment of Agriculture may establish by rule or order processes providing**
30 **for the remediation of the violation.**

1 **“SECTION 10.** The State Department of Agriculture may charge
2 growers and handlers registered under ORS 571.305 fees reasonably
3 calculated by the department to pay the cost of sampling or testing
4 industrial hemp or industrial hemp commodities or products under
5 sections 9 and 9a, chapter 71, Oregon Laws 2016. Moneys from fees
6 charged under this section shall be deposited in the Industrial Hemp
7 Fund established under section 18 of this 2017 Act.

8
9 **“IDENTIFICATION DOCUMENTATION**

10
11 **“SECTION 11.** Section 12 of this 2017 Act is added to and made a
12 part of ORS 571.300 to 571.315.

13 **“SECTION 12.** (1) The State Department of Agriculture shall de-
14 velop standard identification documentation for industrial hemp and
15 industrial hemp commodities or products. The department shall, upon
16 request, issue identification documentation developed under this sec-
17 tion to growers and handlers registered under ORS 571.305.

18 **“(2)** The department may charge growers and handlers registered
19 under ORS 571.305 fees reasonably calculated by the department to pay
20 the cost of developing and issuing identification documentation devel-
21 oped under this section. Moneys from fees charged under this section
22 shall be deposited in the Industrial Hemp Fund established under sec-
23 tion 18 of this 2017 Act.

24
25 **“PERSONAL POSSESSION**

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27 **“SECTION 13.** Section 14 of this 2017 Act is added to and made a
28 part of ORS 571.300 to 571.315.

29 **“SECTION 14.** ORS 571.300 to 571.315 do not apply to the production
30 or storage of homegrown industrial hemp at a household by one or

1 more persons 21 years of age or older, if the total amount of
2 homegrown industrial hemp at the household does not exceed four
3 industrial hemp plants at any time.

4

5 **“TETRAHYDROCANNABINOL CONCENTRATION**

6

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

9 “571.300. As used in ORS 571.300 to 571.315:

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

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

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

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

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

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

21 “(5) ‘Industrial hemp’:

22 “(a) Means all nonseed parts and varieties of the Cannabis plant, whether
23 growing or not, that contain an average tetrahydrocannabinol concentration
24 that does not exceed 0.3 percent on a dry weight basis **or a**
25 **tetrahydrocannabinol concentration that does not exceed the concen-**
26 **tration allowed under federal law, whichever is greater.**

27 “(b) Means any Cannabis seed:

28 “(A) That is part of a crop;

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

30 “(C) That is agricultural hemp seed;

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

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

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

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

7 “571.305. (1) To grow or handle industrial hemp, a person must be regis-
8 tered with the State Department of Agriculture as a grower or handler.

9 “(2)(a) Only a grower or handler registered under this section may
10 produce agricultural hemp seed. For a grower or handler to produce agri-
11 cultural hemp seed, the grower or handler must be registered with the de-
12 partment as an agricultural hemp seed producer.

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

14 “(A) A grower registered under this section that retains agricultural hemp
15 seed [*as described in section 7, chapter 71, Oregon Laws 2016,*] **for the pur-
16 pose of personally propagating industrial hemp in a subsequent year**
17 is not required to register with the department as an agricultural hemp seed
18 producer; and

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

24 “(3) An applicant for registration under this section must submit to the
25 department, in a form and manner prescribed by the department, the follow-
26 ing information:

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

28 “(b) The name and address of the industrial hemp operation of the appli-
29 cant; and

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

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

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

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

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

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

14 “(c) An order issued by the department pursuant to a provision of ORS
15 571.300 to 571.315 or a rule adopted under a provision of ORS 571.300 to
16 571.315.

17 “(7) In addition to any inspection conducted pursuant to ORS 561.275, the
18 department may inspect any crop during the crop’s growth phase and take
19 a representative composite sample for field analysis. If a crop contains an
20 average tetrahydrocannabinol concentration exceeding 0.3 percent on a dry
21 weight basis **or a tetrahydrocannabinol concentration in excess of the**
22 **concentration allowed under federal law, whichever is greater**, the de-
23 partment may detain, seize or embargo the crop as provided under ORS
24 561.605 to 561.620, **subject to any process established under section 9 of**
25 **this 2017 Act.**

26 “(8) The department may charge growers, handlers and agricultural hemp
27 seed producers application, registration and renewal of registration fees
28 reasonably calculated by the department to pay the cost of administering
29 ORS 571.300 to 571.315. Moneys from fees charged under this subsection shall
30 be deposited in the [*Department of Agriculture Service Fund and are contin-*

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

4 **“(9) The department may adopt rules establishing for growers and**
5 **handlers registered under this section public health and safety stan-**
6 **dards and industry best practices.**

7
8 **“INDUSTRIAL HEMP FUND**

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

12 **“SECTION 18. There is established in the State Treasury, separate**
13 **and distinct from the General Fund, the Industrial Hemp Fund. The**
14 **Industrial Hemp Fund shall consist of all moneys credited to or de-**
15 **posited in the fund. Moneys in the fund are continuously appropriated**
16 **to the State Department of Agriculture for the purposes of imple-**
17 **menting, administering and enforcing ORS 571.300 to 571.315.**

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

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

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

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

25 **“(c) An order issued by the department pursuant to a provision of ORS**
26 **571.300 to 571.315 or a rule adopted under a provision of ORS 571.300 to**
27 **571.315.**

28 **“(2) The department may not discipline a grower, handler or agricultural**
29 **hemp seed producer under this section on the basis that possessing, deliver-**
30 **ing and manufacturing industrial hemp are prohibited by federal law.**

1 “(3) All moneys collected by the department under this section shall be
2 deposited in the [*General Fund in the State Treasury to the credit of the De-*
3 *partment of Agriculture Account. All moneys deposited in the account pur-*
4 *suant to this section are continuously appropriated to the department for the*
5 *purpose of administering ORS 571.300 to 571.315.*] **Industrial Hemp Fund**
6 **established under section 18 of this 2017 Act.**

7
8 **“REPEAL**

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

11
12 **“MISCELLANEOUS**

13
14 **“SECTION 21. (1) Sections 2, 3, 5, 9, 10, 12, 14 and 18 of this 2017**
15 **Act, the amendments to ORS 571.300 and 571.305 and sections 9, 9a and**
16 **12, chapter 71, Oregon Laws 2016, by sections 6, 7, 15, 16 and 19 of this**
17 **2017 Act and the repeal of section 7, chapter 71, Oregon Laws 2016, by**
18 **section 20 of this 2017 Act become operative on January 1, 2018.**

19 **“(2) The State Department of Agriculture, the Director of Agricul-**
20 **ture, Oregon State University and the Dean of the College of Agricul-**
21 **ture, Oregon State University may take any action before**
22 **the operative date specified in subsection (1) of this section that is**
23 **necessary to enable the department, director, university or dean to**
24 **exercise, on and after the operative date specified in subsection (1) of**
25 **this section, all the duties, powers and functions conferred on the de-**
26 **partment, director, university and dean by sections 2, 3, 5, 9, 10, 12,**
27 **14 and 18 of this 2017 Act, the amendments to ORS 571.300 and 571.305**
28 **and sections 9, 9a and 12, chapter 71, Oregon Laws 2016, by sections 6,**
29 **7, 15, 16 and 19 of this 2017 Act and the repeal of section 7, chapter 71,**
30 **Oregon Laws 2016, by section 20 of this 2017 Act.**

1 **SECTION 22. The unit captions used in this 2017 Act are provided**
2 **only for the convenience of the reader and do not become part of the**
3 **statutory law of this state or express any legislative intent in the**
4 **enactment of this 2017 Act.**

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

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