

HB 4089 -1, -2, -5 STAFF MEASURE SUMMARY

House Committee On Agriculture and Natural Resources

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/6, 2/15

WHAT THE MEASURE DOES:

Gives hemp research program currently operated by the Oregon Department of Agriculture (ODA) the name of Oregon Industrial Hemp Agricultural Pilot Research Program. Authorizes ODA to administer the program. Specifies that agricultural hemp seed is agricultural seed for purposes of statutes regulating labeling, testing, certifying, or other aspects of seeds. Directs Director of Agriculture and Dean of College of Agricultural Sciences of Oregon State University to establish a program for labeling and certification of agricultural hemp seed. Provides that accredited independent testing laboratory that has been approved by Oregon Health Authority or ODA may test industrial hemp and industrial hemp commodities and products produced or processed by a grower, handler, or agricultural hemp seed producer. Directs ODA to develop standard identification documentation for industrial hemp and industrial hemp commodities or products. Modifies other provisions related to the regulation of industrial hemp. Authorizes Oregon Liquor Control Commission actions regarding industrial hemp to enforce and ensure compliance with marijuana laws and provisions of industrial hemp laws that incorporate requirements, restrictions, or other provisions of marijuana laws. Changes the description of the limit on production and storage of homegrown cannabis plants. Allows ODA to adopt rules establishing higher average tetrahydrocannabinol concentration limit for industrial hemp if higher average concentration limit is established by federal law. Revises language regarding grower retention of agricultural hemp seed for producing industrial hemp. Establishes Industrial Hemp Fund. Appropriates fund moneys to ODA for the purposes of implementing, administering, and enforcing industrial hemp statutes. Directs certain moneys to the fund. Declares emergency, effective on passage.

REVENUE: Has revenue impact; Revenue Lite issued

FISCAL: Has fiscal impact; Fiscal Lite issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Removes reference to "research" in pilot program name. Redefines agricultural hemp seed as an agricultural seed or a flower seed. Corrects reference to registered rather than licensed growers and handlers. Removes standard identification documentation section. Authorizes ODA to charge fees for administrative change and other services.

REVENUE: Has revenue impact; Revenue Lite issued

FISCAL: Has fiscal impact; Fiscal Lite issued

-2 Transfers responsibility from the testing laboratory to the registered grower, handler, or processor, for entering hemp, commodity, or product, into the tracking system before the hemp, commodity, or product is transferred to a laboratory for testing. Requires the Oregon Liquor Control Commission to track the hemp, commodity, or product when it is transferred, sold, or transported to a licensed premises, or area under the control of the premises licensee. Specifies that a person other than a licensed marijuana processor that may not process cannabinoid extracts into a cannabinoid product, cannot process industrial hemp extracts into a cannabinoid product. Specifies that a person other than a licensed marijuana processor may not produce, process, or store homemade industrial hemp extracts.

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This Summary has not been adopted or officially endorsed by action of the committee.

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-5 Specifies that industrial hemp products that contain more than 0.3 percent tetrahydrocannabinol may not be sold to a consumer by a person other than a retailer. Requires that the Oregon Liquor Control Commission adopt rules to ensure compliance.

REVENUE: Has revenue impact; Revenue Lite issued

FISCAL: Has fiscal impact; Fiscal Lite issued

BACKGROUND:

Industrial hemp is an agricultural product that is subject to regulation by the Oregon Department of Agriculture (ODA) and refers to cannabis varieties that are grown for fiber, seed, oil, or as a cover crop. In 2009, the Legislative Assembly enacted Senate Bill 676 which authorized the production, possession, and commerce of industrial hemp and commodities in Oregon. ODA licensed Oregon's first industrial hemp grower in early 2015. In 2016, House Bill 4060 updated and clarified provisions related to the regulation of industrial hemp, and authorized ODA to adopt rules to govern quality, packaging, and labeling of industrial hemp seed.