

## HB 4089 A STAFF MEASURE SUMMARY

### House Committee On Agriculture and Natural Resources

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**Action Date:** 02/15/18

**Action:** Do pass with amendments  
and be referred to Ways and Means by prior reference. (Printed A-Eng.)

**Vote:** 9-0-0-0

**Yeas:** 9 - Barreto, Clem, Esquivel, McKeown, McLain, Salinas, Smith DB, Sprenger, Witt

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

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#### WHAT THE MEASURE DOES:

Names the hemp research program operated by the Oregon Department of Agriculture (ODA) the Oregon Industrial Hemp Agricultural Pilot Program. Clarifies ODA's authority to administer the program. Specifies that agricultural hemp seed is agricultural or flower seed for the purposes of statutes regulating labeling, testing, or certifying seeds. Directs the Director of Agriculture and Dean of College of Agricultural Sciences of Oregon State University to establish a program for labeling and certifying agricultural hemp seed. Provides that an accredited independent testing laboratory that has been approved by the 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. 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 (OLCC) 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 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, and requires that the OLCC adopt rules to ensure compliance. Modifies other provisions related to the regulation of industrial hemp. Authorizes OLCC 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. Specifies that a person may not produce, process, or store homemade industrial hemp extracts. Changes the description of the limit on production and storage of homegrown cannabis plants. Allows ODA to adopt rules establishing a higher average tetrahydrocannabinol concentration limit for industrial hemp if a higher average concentration limit is established by federal law. Revises language regarding grower retention of agricultural hemp seed for producing industrial hemp. Establishes the Industrial Hemp Fund (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.

#### ISSUES DISCUSSED:

- Reiteration of 2017 House Bill 2371
- Collaboration among Oregon Department of Agriculture, Oregon Department of Justice, and Oregon Liquor Control Commission
- Agency authority over industrial hemp crops and products
- Industrial Hemp Agricultural Pilot Program
- State-based certification of seed varieties

#### EFFECT OF AMENDMENT:

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

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identification documentation section. Authorizes Oregon Department of Agriculture to charge fees for administrative services. 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 (OLCC) 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 may not produce, process, or store homemade industrial hemp extracts. 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, and requires that the OLCC adopt rules to ensure compliance.

### **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.

House Bill 4089 A would establish the Oregon Industrial Hemp Agricultural Pilot Program, an agricultural hemp seed certificate program, and an Industrial Hemp Fund, and modify industrial hemp statutes related to testing, regulation, personal possession, and tetrahydrocannabinol concentration.