

HB 2740 -1 STAFF MEASURE SUMMARY
House Committee On Agriculture and Land Use

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Meeting Dates: 2/19, 4/9

WHAT THE MEASURE DOES:

Clarifies 'industrial hemp' definition for the purposes of alignment with federal definition. Establishes the Oregon Industrial Hemp Commission. Takes effect on the 91st day following adjournment sine die.

REVENUE: May have revenue impact, no statement yet issued

FISCAL: May have fiscal impact, no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 States a public interest in the Oregon hemp industry and the purposes of the 2019 Act. Directs the Oregon Department of Agriculture (ODA) to: monitor the methods and practices used or proposed by the Oregon Hemp Commission (OHC) in carrying out the goals of the and budget needs of the OHC; promote cooperation among the OHC, commodity commissions, the Oregon Beef Council, and Oregon Wheat Commission; carry out assigned organizational procedures including the appointment and removal of OHC members; review OHC budgets submitted to the Director of Agriculture (Director); and adopt rules to carry out this 2019 Act. Requires that ODA review, and may approve or disapprove, plans and projects recommended by the OHC for promotion, advertising, and research, and for the dissemination of consumer and hemp industry information. Specifies ODA review considerations.

Directs the Director to appoint five temporary OHC members, and to consider recommendations by commodity commissions, producers, and producer associations. Establishes temporary membership requirements and terms. Requires that the temporary members adopt rules for the OHC. Requires that the Director appoint OHC commissioners in accordance with adopted rules and to consider recommendations by commodity commissions, producers, and producer associations. Establishes membership requirements and terms. Allows OHC to amend the rules adopted by temporary members. Specifies requirements related to commission member, officer, and employee payment, and meeting locations.

Allows OHC to: (1) conduct scientific research; (2) disseminate reliable information founded upon that research; (3) study federal and state legislation concerning the hemp industry, and represent and protect the interests of the hemp industry; (4) act jointly and in cooperation with the federal government or any federal agency in the administration of any federal program that OHC determines is beneficial to the hemp industry, and expend funds in connection with the administration of a federal program; (5) enter into contracts for advertising hemp and for developing new markets through advertising; (6) develop plans or projects for promotion and advertising research, consumer information, and industry information, and create certain programs; (7) appoint all OHC subordinate officers and employees and establish their duties and compensation; (8) levy assessments; (9) borrow money; (10) enter into contracts for carrying out OHC duties; (11) sue and be sued in the name of the OHC; (12) request that the Attorney General prosecute in the name of the State of Oregon suits and actions for the collection of assessments levied by the commission; (13) participate in federal and state hearings or other proceedings concerning regulation of the manufacture, distribution, sale, or use of pesticides or other chemicals; (14) participate in and cooperate with local, state, national, and international private organizations or governmental agencies that engage in similar work; (15) provide mechanisms for maintaining and expanding

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existing markets and developing new domestic and foreign markets; (16) conduct and fund additional research; (17) gather, publicize, and disseminate information; (18) funding scholarships for, or providing financial assistance to, persons or entities interested in hemp; and (19) adopt rules.

To be continued... for sections 11 - 70.

REVENUE: May have revenue impact, no statement yet issued

FISCAL: May have fiscal impact, no statement yet 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. The legislature has passed a series of laws related to industrial hemp over the past decade. In 2009, the Legislative Assembly enacted Senate Bill 676, which authorized the production, possession, and commerce of industrial hemp commodities in Oregon. Oregon's first industrial hemp grower was licensed by ODA 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. In 2017, House Bill 1015 provided for processing and sales of industrial hemp concentrates and extracts. In 2018, House Bill 4089 established the Oregon Industrial Hemp Agricultural Pilot Program, an agricultural hemp seed certificate program, the Industrial Hemp Fund, and further modified industrial hemp statutes related to testing, regulation, personal possession, and tetrahydrocannabinol concentration limits.

House Bill 2740 would establish the Oregon Industrial Hemp Commission, and would align the state definition of 'industrial hemp' with the federal definition.