

Requested by Representative WILSON

**PROPOSED AMENDMENTS TO
HOUSE BILL 2740**

1 On page 1 of the printed bill, line 2, after “ORS” delete the rest of the
2 line and delete line 3 and insert “475B.015, 475B.227, 475B.311, 475B.550,
3 475B.600, 475B.791, 571.300, 571.303, 571.305, 571.315, 571.318, 571.327, 571.330,
4 571.333, 571.336 and 571.348 and section 19, chapter 103, Oregon Laws 2018,
5 and sections 2, 3, 7, 9, 10, 14, 15, 15a and 30, chapter 116, Oregon Laws 2018;
6 repealing ORS 571.339 and section 20, chapter 103, Oregon Laws 2018; and
7 prescribing an effective date.”.

8 Delete lines 5 through 30 and delete pages 2 through 3 and insert:
9

10 **“OREGON HEMP COMMISSION**

11
12 **“SECTION 1. As used in sections 1 to 36 of this 2019 Act:**

13 **“(1) ‘Fiscal year’:**

14 **“(a) Except as provided in paragraph (b) of this subsection, means**
15 **the 12-month period commencing on July 1 and ending on June 30.**

16 **“(b) If adopted by rule by the Oregon Hemp Commission, means the**
17 **12-month period commencing on January 1 and ending on December**
18 **31.**

19 **“(2) ‘Handler’ means a person, joint venture, cooperative or corpo-**
20 **ration that receives hemp for processing into commodities, products**
21 **or agricultural hemp seed.**

1 **“(3) ‘Hemp’ means the plant Cannabis sativa L. and any part of that**
2 **plant, including the seeds of the plant, and all derivatives, extracts,**
3 **cannabinoids, isomers, acids, salts and salts of isomers, whether**
4 **growing or not, with a delta-9 tetrahydrocannabinol concentration of**
5 **not more than 0.3 percent on a dry weight basis.**

6 **“(4) ‘Processor’ means a person, joint venture, cooperative or cor-**
7 **poration that receives hemp for processing into commodities, products**
8 **or agricultural hemp seed.**

9 **“(5) ‘Producer’ means a person, joint venture, cooperative or cor-**
10 **poration that produces hemp.**

11 **“SECTION 2. (1) It is hereby declared, as a matter of legislative**
12 **determination, that sections 1 to 36 of this 2019 Act are enacted in the**
13 **exercise of the power of this state for the purposes of protecting and**
14 **furthering the public health and welfare. It is further declared that the**
15 **hemp industry of this state is affected with a public interest in that,**
16 **among other things:**

17 **“(a) The production, processing, manufacture and distribution of**
18 **hemp and hemp products constitute a paramount industry of this state**
19 **that not only provides substantial and required revenues for the state**
20 **and its political subdivisions, and employment and a means of**
21 **livelihood for many thousands of its population, but also provides es-**
22 **sential foods, supplements and other agricultural, commercial and in-**
23 **dustrial products that are vital to the public health and welfare.**

24 **“(b) The stabilization, maintenance and expansion of the hemp in-**
25 **dustry of Oregon, and of the state, national and international markets**
26 **for hemp products, are necessary to assure the consuming public an**
27 **adequate supply of foods and supplements that are indispensable in a**
28 **proper human diet, as well as other agricultural, commercial and in-**
29 **dustrial products to protect, for the state and its political subdivisions,**
30 **a necessary source of tax revenue, to provide and maintain an ade-**

1 **quate standard of living for a great segment of the population of this**
2 **state, to maintain proper wage scales for those engaged in the hemp**
3 **industry and to maintain existing employment.**

4 **“(c) The essential nature of hemp and hemp products in proper**
5 **human nutrition and to the maintenance of a high level of public**
6 **health is such as to require that the public be made aware of the es-**
7 **sential nature of hemp and hemp products, and be protected against**
8 **misrepresentation and deception, by the dissemination of accurate and**
9 **scientific information about the healthful qualities of hemp and hemp**
10 **products, their various classifications, the food values and industrial**
11 **and therapeutic uses of hemp and hemp products, the methods, care**
12 **and precautions necessary to their proper production, processing,**
13 **manufacture and distribution, the necessary costs and expenses of the**
14 **production, processing, manufacture and distribution of hemp and**
15 **hemp products and the necessity and desirability on the part of the**
16 **public of using and consuming hemp and hemp products of the highest**
17 **standards of quality.**

18 **“(2) The purposes of sections 1 to 36 of this 2019 Act are:**

19 **“(a) To enable the hemp industry, with the aid of the state, to de-**
20 **velop, maintain and expand the state, national and international**
21 **markets for hemp and hemp products produced, processed or manu-**
22 **factured in this state, and the use and consumption of hemp and hemp**
23 **products in the state, national and international markets.**

24 **“(b) In aid, but not in limitation, of the purposes described in par-**
25 **agraph (a) of this subsection, to authorize and enable the Oregon**
26 **Hemp Commission to formulate and effectuate, directly or in cooper-**
27 **ation with other agencies and instrumentalities specified in sections 1**
28 **to 36 of this 2019 Act, sales stimulation and consumer or other educa-**
29 **tional programs designed to increase the use and consumption of hemp**
30 **and hemp products and to conduct research, education and informa-**

1 tion programs related to the hemp industry.

2 **“SECTION 3. (1) The State Department of Agriculture shall:**

3 **“(a) Monitor the methods and practices used or proposed by the**
4 **Oregon Hemp Commission in carrying out the goals and meeting the**
5 **needs disclosed by the budget of the commission;**

6 **“(b) Promote cooperation among the Oregon Hemp Commission, the**
7 **commodity commissions, the Oregon Beef Council and the Oregon**
8 **Wheat Commission, and assist in the interchange of information and**
9 **experiences among those entities;**

10 **“(c) Carry out the assigned organizational procedures under**
11 **sections 1 to 36 of this 2019 Act, including the appointment and re-**
12 **moval of members of the Oregon Hemp Commission;**

13 **“(d) Review budgets submitted to the Director of Agriculture by the**
14 **commission; and**

15 **“(e) Adopt rules to carry out the provisions of sections 1 to 36 of**
16 **this 2019 Act.**

17 **“(2) The department shall review, and may approve or disapprove,**
18 **plans and projects recommended by the Oregon Hemp Commission for**
19 **promotion, advertising and research and for the dissemination of**
20 **consumer and hemp industry information. In reviewing a plan or**
21 **project under this subsection, the department shall consider whether**
22 **the plan or project is:**

23 **“(a) Factual;**

24 **“(b) Not disparaging to agricultural commodities; and**

25 **“(c) Consistent with the purposes of sections 1 to 36 of this 2019 Act.**

26 **“SECTION 4. (1) In the same manner as that provided in ORS**
27 **576.206, the Director of Agriculture shall appoint five temporary**
28 **members to the Oregon Hemp Commission. In appointing the tempo-**
29 **rary members, the director shall consider any recommendations by**
30 **commodity commissions, producers and producer associations. All**

1 temporary members of the commission must be citizens of the United
2 States.

3 “(2)(a) A majority of the temporary members must be producers.

4 “(b) A producer member appointed under this subsection must have
5 produced hemp under a license or registration issued by the Depart-
6 ment of Agriculture for at least four years prior to the member’s ap-
7 pointment.

8 “(c) At least one member must be a handler. A handler member
9 appointed under this subsection must have handled hemp under a li-
10 cense or registration issued by the department for at least three years
11 prior to the member’s appointment.

12 “(d) At least one member must be a member of the public who is
13 not associated with the production or handling of hemp.

14 “(3) The temporary members shall adopt rules for the commission
15 in accordance with ORS chapter 183, including but not limited to rules:

16 “(a) Establishing the number and geographic representation of the
17 commissioners;

18 “(b) Providing for the removal of commissioners;

19 “(c) Setting a stipend and per diem for the commissioners; and

20 “(d) Relating to the assessment rate and procedures described in
21 sections 1 to 36 of this 2019 Act.

22 “(4) The terms of temporary members expire on the date of the first
23 meeting of the commissioners appointed under subsection (6) of this
24 section, but not later than one year after the effective date of this 2019
25 Act.

26 “(5) A qualified temporary member is eligible for appointment to a
27 term on the commission under subsection (6) of this section.

28 “(6) Except as provided in subsection (10) of this section, the direc-
29 tor shall appoint the commissioners to the commission in accordance
30 with rules adopted under subsection (3) of this section. In appointing

1 the commissioners, the director shall consider any recommendations
2 by commodity commissions, producers and producer associations. The
3 commissioners appointed under this subsection may be the same as
4 the temporary members appointed under subsection (2) of this section.
5 All commissioners must be citizens of the United States.

6 “(2)(a) All commissioners other than handlers and the members of
7 the public must be producers.

8 “(b) A majority of the commissioners must be producers that have
9 produced hemp under a license or registration issued by the depart-
10 ment for at least four years prior to appointment to the commission.

11 “(c) At least one commissioner must be a handler that has handled
12 hemp under a license or registration issued by the department for at
13 least three years prior to the commissioner’s appointment.

14 “(d) At least one commissioner must be a member of the public who
15 is not associated with the production or handling of hemp.

16 “(7) The term of a commissioner appointed under subsection (6) of
17 this section is four years unless a shorter term is established by the
18 commission by rule to provide for staggered terms. A commissioner
19 is eligible for reappointment unless otherwise provided by the com-
20 mission by rule. Before the expiration of a commissioner’s term, the
21 director shall appoint a successor to assume office upon expiration of
22 the term. If there is a vacancy on the commission for any reason, in-
23 cluding a reason specified in section 6 or 7 of this 2019 Act, the director
24 shall appoint a person to the unexpired term.

25 “(8) The commission shall select one member to serve as chair-
26 person, another member to serve as vice chairperson and another
27 member to serve as secretary-treasurer with the duties and powers
28 that the commission deems appropriate to those offices.

29 “(9) A temporary member of the commission and a commissioner
30 are entitled to compensation and expenses in the manner and amounts

1 provided in ORS 292.495. Claims for compensation earned and expenses
2 incurred in performing the functions of the commission shall be paid
3 out of funds available to the commission.

4 “(10) The commission may amend the rules adopted by the tempo-
5 rary members under subsection (3) of this section. A rule amendment
6 adopted under this subsection applies to commission appointments
7 made after the effective date of the rule amendment.

8 “SECTION 5. The Director of Agriculture and the Dean of the Col-
9 lege of Agricultural Sciences of Oregon State University are ex officio
10 nonvoting members of the Oregon Hemp Commission.

11 “SECTION 6. The Director of Agriculture shall immediately declare
12 the office of a member of the Oregon Hemp Commission who is a
13 handler or producer vacant if the director finds that:

14 “(1) The member is no longer actively engaged in hemp production
15 or processing;

16 “(2) The member has become a resident of another state; or

17 “(3) The member is otherwise unable to perform the duties of the
18 office.

19 “SECTION 7. (1) The Director of Agriculture may remove a member
20 of the Oregon Hemp Commission for inefficiency, neglect of duty or
21 misconduct in office if the director provides:

22 “(a) At least 10 days before the date of a public hearing on the issue
23 of removal of the member, service on the member of:

24 “(A) A copy of the charges against the member;

25 “(B) Notice of the time and place of the public hearing on the issue
26 of removal; and

27 “(b) A public hearing on the issue of removal of the member at
28 which the member must have the opportunity to be heard in person
29 or by counsel and to present evidence to answer the charges and ex-
30 plain the facts alleged against the member.

1 “(2) In the case of removal, the director shall file with the office
2 of the Secretary of State a complete statement of all charges against
3 the member, and the findings on the charges, along with a record of
4 the entire removal proceedings.

5 “SECTION 8. (1) The Oregon Hemp Commission may adopt rules to
6 establish the amount of payment that a member of the commission
7 receives under ORS 292.495 for each day, or portion of a day, during
8 which the member is engaged in the performance of official duties.
9 The amount must be at least the amount of payment that would oth-
10 erwise be provided under ORS 292.495.

11 “(2) Members, officers and employees of the commission must re-
12 ceive their actual and necessary travel and other expenses incurred in
13 the performance of their official duties. Subject to any limitations
14 described under ORS 292.495 (2), the commission shall adopt rules
15 governing the incurring and paying of the expenses described in this
16 subsection.

17 “SECTION 9. (1) The Oregon Hemp Commission shall establish a
18 meeting place anywhere in this state, but must consider in selecting
19 the location the convenience of the majority of those persons most
20 likely to have business with the commission or to be affected by the
21 acts of the commission.

22 “(2) Notwithstanding subsection (1) of this section, the commission
23 may participate in meetings outside the state for the purposes of ad-
24 vancing the work of the commission.

25 “(3) The commission may take action only at meetings held within
26 this state.

27 “SECTION 10. The Oregon Hemp Commission may:

28 “(1) Conduct scientific research to discover and develop the com-
29 mercial value of hemp and hemp products.

30 “(2) Disseminate reliable information founded upon the research

1 conducted under sections 1 to 36 of this 2019 Act that shows the value
2 of hemp and hemp products for any purpose for which hemp and hemp
3 products may be found useful and profitable.

4 “(3) Study federal and state legislation with respect to tariffs, du-
5 ties, reciprocal trade agreements, import quotas and other matters
6 concerning the effect of the legislation on the hemp industry, and
7 represent and protect the interests of the hemp industry with respect
8 to any legislation, proposed legislation or executive action that may
9 affect the hemp industry.

10 “(4) Act jointly and in cooperation with the federal government, or
11 any federal agency, in the administration of any program of the fed-
12 eral government or federal agency that the commission determines is
13 beneficial to the hemp industry in this state, and expend funds in
14 connection with the administration of a program described in this
15 subsection, provided that the program is compatible with the powers
16 conferred on the commission by sections 1 to 36 of this 2019 Act.

17 “(5) Enter into contracts for advertising hemp and for developing
18 new markets through advertising.

19 “(6) Develop plans or projects for promotion and advertising re-
20 search, consumer information and industry information, and create
21 programs that will lead to the development of new markets, marketing
22 strategies, increased efficiency and activities to enhance the image of
23 the hemp industry.

24 “(7) Appoint all subordinate officers and employees of the commis-
25 sion and establish their duties and compensation.

26 “(8) Levy the assessments described in section 18 of this 2019 Act.

27 “(9) Borrow money in amounts that do not exceed estimated reve-
28 nues from assessments for the year.

29 “(10) Enter into contracts for carrying out the duties of the com-
30 mission, in addition to those duties described in subsection (5) of this

1 section.

2 “(11) Subject to ORS 30.260 to 30.300, sue and be sued in the name
3 of the commission.

4 “(12) Request that the Attorney General prosecute in the name of
5 the State of Oregon suits and actions for the collection of assessments
6 levied by the commission.

7 “(13) Participate in federal and state hearings or other proceedings
8 concerning regulation of the manufacture, distribution, sale or use of
9 pesticides as defined in ORS 634.006 or other chemicals that are of use
10 or potential use to producers. This subsection does not authorize the
11 commission to regulate the use of pesticides.

12 “(14) To the extent consistent with the duties of the commission,
13 participate in and cooperate with local, state, national and interna-
14 tional private organizations or governmental agencies that engage in
15 work similar to that of the commission.

16 “(15) Provide mechanisms for maintaining and expanding existing
17 markets and developing new domestic and foreign markets for hemp,
18 including but not limited to:

19 “(a) Public relations programs;

20 “(b) Media relations programs;

21 “(c) Paid print, electronic and position advertising;

22 “(d) Point of sale promotion and coupon programs; and

23 “(e) Activities that prevent, modify or eliminate trade barriers that
24 obstruct the free flow of hemp to market.

25 “(16) Conduct and fund research, in addition to that described in
26 subsection (1) of this section, to:

27 “(a) Enhance the commercial value of hemp and hemp products;

28 “(b) Discover the benefits to public health, the environment or the
29 economy of consuming or otherwise using hemp;

30 “(c) Develop better and more efficient production, harvesting, irri-

1 gation, processing, transportation, handling, marketing and uses of
2 hemp;

3 “(d) Control or eradicate hazards to hemp, including but not limited
4 to hazards from animals, pests and plants;

5 “(e) Develop viable alternatives for the rotation of crops;

6 “(f) Determine new or potential demand for hemp and develop ap-
7 propriate market development strategies for capturing that demand;
8 and

9 “(g) Measure the effectiveness of marketing, advertising or promo-
10 tional programs.

11 “(17) Gather, publicize and disseminate information that shows the
12 importance of the consumption and other uses of hemp to public
13 health, the environment, the economy and the proper nutrition of
14 children and adults.

15 “(18) Further the purposes of this section by funding scholarships
16 for or providing financial assistance to persons or entities interested
17 in hemp.

18 “(19) Adopt rules as necessary to carry out the duties, functions and
19 powers conferred on the commission by this section.

20 “SECTION 11. (1)(a) The Oregon Hemp Commission may contract
21 with an independent contractor for the performance of any service,
22 except that the commission may not contract with an independent
23 contractor to perform discretionary functions of the commission.

24 “(b) ORS 279.835 to 279.855 and ORS chapters 240, 279A, 279B and
25 279C do not apply to the commission in obtaining services described in
26 this subsection, except that a contract for services described in this
27 subsection may not take effect until the contract is approved by the
28 State Department of Agriculture under subsection (7) of this section.

29 “(2)(a) The commission may rent space or acquire supplies and
30 equipment from any contractor as described in subsection (1) of this

1 section.

2 “(b) ORS chapters 276, 278, 279A, 279B, 279C and 283 and ORS
3 276A.206, 279.835 to 279.855 and 283.085 to 283.092 do not apply to rentals
4 or acquisitions described in this subsection.

5 “(3) Except as provided in this section, a contractor described in
6 subsection (1) of this section shall be considered an independent con-
7 tractor and not an employee, eligible employee, public employee or
8 employee of the state for purposes of Oregon law, including ORS
9 chapters 236, 238, 238A, 240, 243, 291, 316 and 652.

10 “(4) Nothing in this section precludes the state or the commission
11 from being considered the employer of the contractor described in
12 subsection (1) of this section for purposes of unemployment compen-
13 sation under ORS chapter 657 and ORS 670.600.

14 “(5) A contractor described in subsection (1) of this section shall
15 be considered an independent contractor and not a worker for pur-
16 poses of ORS chapter 656 and ORS 670.600.

17 “(6) A contractor described in subsection (1) of this section may not
18 be considered a public official, public officer, state officer or executive
19 official for purposes of Oregon law, including ORS chapters 236, 244,
20 292, 295 and 297 and ORS 171.725 to 171.785.

21 “(7) The department shall review the contract described in sub-
22 section (1) of this section for the adequacy of the clauses pertaining
23 to statement of work, starting and ending dates, consideration, sub-
24 contracts, funds authorized in the budget, amendments, termination,
25 compliance with applicable law, assignment and waiver, access to re-
26 cords, indemnity, ownership of work product, nondiscrimination, suc-
27 cessors in interest, attorney fees, tax certification or merger or any
28 other clause the department deems necessary.

29 “(8) The Oregon Department of Justice shall review any contracts,
30 agreements and similar funding devices that meet or exceed the fund

1 threshold established by the department by rule.

2 “(9) The Oregon Department of Administrative Services, in consul-
3 tation with the State Department of Agriculture, shall adopt rules
4 necessary for the screening and selection of independent contractors
5 under this section.

6 “(10) Except as provided under subsection (9) of this section, the
7 State Department of Agriculture may adopt rules as necessary to carry
8 out this section.

9 **“SECTION 12. (1) The Oregon Hemp Commission shall:**

10 **“(a) Adopt a budget, obtain budget approval and submit financial**
11 **statements in the same manner as a commodity commission acting**
12 **under ORS 576.416.**

13 **“(b) Receive, deposit, invest, expend and budget moneys in the same**
14 **manner as a commodity commission acting under sections 26, 31, 32**
15 **and 33 of this 2019 Act.**

16 **“(2) The commission may accept gifts, grants, donations or contri-**
17 **butions from any source and for expenditures for any purpose con-**
18 **sistent with the powers conferred on the commission.**

19 **“SECTION 13. (1) Upon request by the Oregon Hemp Commission,**
20 **the Oregon Department of Administrative Services may:**

21 **“(a) Purchase or otherwise provide for acquiring or furnishing**
22 **supplies, materials, equipment and services, other than personal ser-**
23 **vices, that the commission requires and for independent contractors**
24 **to furnish professional services to the commission.**

25 **“(b) Provide for printing and multiple duplication work for the**
26 **commission under ORS 282.010 to 282.050, except for printing and**
27 **binding that advertises or promotes hemp or hemp products.**

28 **“(c) Provide for services to the commission for disposing of surplus,**
29 **obsolete or unused supplies, materials and equipment under ORS**
30 **279A.280.**

1 “(d) Provide for central telephone service, central mail service and
2 messenger services to the commission under ORS 283.140.

3 “(e) Provide motor vehicles for use by members, officers and em-
4 ployees of the commission under ORS 283.305 to 283.350.

5 “(2) The commission shall pay to the department an amount for
6 services performed by the department under subsection (1) of this
7 section that the department determines is adequate to reimburse the
8 department.

9 “(3) Upon request by the commission, the department may design
10 and supervise the installation of an accounting system for the com-
11 mission. The commission shall pay to the department an amount for
12 services performed by the department under this subsection that the
13 department determines is adequate to reimburse the department.

14 “SECTION 14. (1) The Oregon Hemp Commission may elect to pro-
15 vide services, facilities and materials to commodity commissions cre-
16 ated under ORS 576.051 to 576.455, the Oregon Wheat Commission, the
17 Oregon Beef Council and other state agencies and officers under ORS
18 283.110.

19 “(2) Upon request by the Oregon Hemp Commission, any other en-
20 tity described in subsection (1) of this section may provide services,
21 facilities and materials to the commission under ORS 283.110.

22 “SECTION 15. ORS 291.026, 291.201 to 291.222, 291.232 to 291.260,
23 291.322 to 291.334, 292.210 to 292.250, 293.260 to 293.280, 293.295 to 293.346
24 and 293.590 to 293.640 do not apply to the Oregon Hemp Commission
25 or to the administration and enforcement of sections 1 to 36 of this
26 2019 Act.

27 “SECTION 16. (1) Wages or salaries of employees of the Oregon
28 Hemp Commission are not subject to personnel compensation plans for
29 state employees established by the Oregon Department of Adminis-
30 trative Services under ORS 240.235 to 240.250.

1 “(2) The commission is not required to utilize office space provided
2 or obtained by the department as provided in ORS chapter 276.

3 “(3) The State Department of Agriculture may charge and collect
4 from the commission an assessment or fee to reimburse the depart-
5 ment for supervisory or administrative functions the department is
6 required by law to perform for the commission. The department shall
7 establish the amount of the assessment or fee by rule.

8 “SECTION 17. (1) As used in this section, ‘intellectual property’
9 means patents, copyrights, trademarks, inventions, discoveries, pro-
10 cesses, ideas and other similar property, whether or not they are pat-
11 entable or copyrightable.

12 “(2)(a) The Oregon Hemp Commission may:

13 “(A) Consistent with the purposes of the commission, develop in-
14 tellectual property that relates to hemp or assists in the implementa-
15 tion, maintenance or development of commission programs.

16 “(B) Take all necessary and proper actions, including but not lim-
17 ited to entering into contracts and other agreements and owning,
18 managing, disposing of or using the intellectual property.

19 “(b) The commission shall adopt rules to govern the ownership,
20 management, disposal and use of intellectual property and other ac-
21 tivities of the commission relating to intellectual property.

22 “(3) Moneys received by the commission as a result of the owner-
23 ship, management, disposal or use of intellectual property, or other
24 activities of the commission relating to intellectual property, must be
25 deposited into the account established by the commission as described
26 in section 26 of this 2019 Act.

27 “SECTION 18. (1) As used in this section:

28 “(a) ‘Commodity’ means hemp.

29 “(b) ‘Industry average unit price’ means the average unit price for
30 the raw commodity within the industry and includes prices that are

1 calculated using a one-year, two-year or three-year average and data
2 from the most recent complete year or years preceding the year of
3 determination.

4 “(2)(a) The Oregon Hemp Commission may assess, levy and collect
5 an assessment in an amount determined by rule, on all units of the
6 commodity grown or produced in this state and sold in commercial
7 channels. The commission may not apply an assessment to a trans-
8 action that occurred prior to the effective date of the rule in which
9 the commission adopted the assessment.

10 “(b) The commission may assess, levy and collect a differential as-
11 sessment in an amount determined by the commission by rule, based
12 on the intended use, type or variety and value of the commodity.

13 “(c) Casual sales made by a producer directly to a consumer are
14 exempt from the assessment described in this subsection.

15 “(d) The commission may by rule define and regulate handling,
16 processing and casual sales of the commodity and the methods of as-
17 sessment under this section.

18 “(3) The amount of the assessment provided for in subsection (2)
19 of this section is limited as follows:

20 “(a) If the commission assesses on a unit basis, the maximum as-
21 sessment may not exceed five percent of the industry average unit
22 price. The commission may determine the industry average unit price
23 by considering data and estimates of the United States Department
24 of Agriculture, Oregon State University or other reliable sources.

25 “(b) If the commission assesses on a percentage of the dollar value
26 basis, the maximum assessment may not exceed five percent of the
27 dollar value that a producer receives for the raw commodity. If the
28 dollar value is not otherwise determinable, the commission may es-
29 tablish the dollar value based on the industry average unit price for
30 that year for the raw commodity.

1 “(4) The commission shall assess, levy and collect an assessment
2 under subsection (2) of this section to the producer at the time and in
3 the manner provided by the commission by rule. The commission is
4 the owner of a collected assessment. A person who collects an assess-
5 ment holds the assessment in trust for the benefit of the commission
6 and the state, and shall remit the assessment as required by the
7 commission under section 20 of this 2019 Act.

8 “(5) Notwithstanding subsection (4) of this section, the commission
9 may assess, levy and collect an assessment from a producer as deter-
10 mined by the commission by rule. Except as provided in subsection (6)
11 of this section, the assessment may not exceed the limits described in
12 subsection (3) of this section.

13 “(6) Notwithstanding subsection (5) of this section, the commission
14 may assess, levy and collect an assessment in excess of the limits de-
15 scribed in subsection (3) of this section pursuant to a federal market-
16 ing order or agreement.

17 “(7) A person who believes that the amount of an assessment is
18 incorrect may apply to the commission for a refund not later than 60
19 days after the date on which the person paid the assessment.

20 “SECTION 19. (1) The Oregon Hemp Commission may establish by
21 rule exemptions from the assessments described in section 18 of this
22 2019 Act based on:

23 “(a) Hemp quantities;

24 “(b) Types of hemp sales;

25 “(c) Types of hemp producers; and

26 “(d) Types of hemp processors.

27 “(2) In adopting a rule under subsection (1) of this section, the
28 commission shall consider:

29 “(a) Federal laws and rules, and laws and rules of other states, that
30 relate to commodity commissions, boards and marketing orders;

1 **“(b) The practices, procedures and customs unique to the pro-**
2 **duction, handling, processing and trading of hemp and to producers;**
3 **and**

4 **“(c) The cost of collecting the particular assessment and any prac-**
5 **tical problems relating to the collection.**

6 **“(3) A producer or handler that is exempted from assessment but**
7 **required to submit reports to the commission is subject to section 22**
8 **of this 2019 Act.**

9 **“SECTION 20. (1) A person responsible for collecting an assessment**
10 **on behalf of the Oregon Hemp Commission:**

11 **“(a) Shall report to the commission as required by the commission**
12 **by rule.**

13 **“(b) Who fails to deduct an assessment at the time of sale shall**
14 **report and pay the assessment to the commission.**

15 **“(2) This section applies to a producer that is required to report and**
16 **pay an assessment.**

17 **“SECTION 21. (1) When a handler or processor lives, or has the**
18 **handler’s or processor’s office, in Oregon, the producer shall report**
19 **all transfers or sales made to the handler or processor on forms pro-**
20 **vided by the Oregon Hemp Commission and pay the assessment mon-**
21 **eys directly to the commission.**

22 **“(2) When a handler or processor lives, or has the handler’s or**
23 **processor’s office, in another state or country or is a federal or other**
24 **governmental agency, the producer shall report all transfers or sales**
25 **made to the handler or processor on forms provided by the Oregon**
26 **Hemp Commission and pay the assessment moneys directly to the**
27 **commission.**

28 **“(2) If a producer is also licensed as a handler or processor and**
29 **performs all or part of the producer’s handling or processing functions**
30 **that would normally be performed by another person in the role of**

1 handler or processor, the producer shall report all transfers or sales
2 of hemp from the production of the producer on forms provided by the
3 commission and pay the assessment moneys directly to the commis-
4 sion.

5 **“SECTION 22. (1) A person required to pay or collect an assessment**
6 **on hemp under sections 1 to 36 of this 2019 Act shall maintain accurate**
7 **records sufficient to enable the Oregon Hemp Commission to deter-**
8 **mine by inspection and audit the accuracy of assessments paid or due**
9 **to the commission and of reports made or due to the commission.**

10 **“(2) For purposes of determining the accuracy of assessments paid**
11 **or due to the commission, the commission, or a person authorized by**
12 **the commission, may:**

13 **“(a) Make an inspection during normal business hours of the busi-**
14 **ness premises of a person required to pay or collect an assessment;**
15 **and**

16 **“(b) Audit the records of a person required to pay or collect an as-**
17 **essment.**

18 **“(3) For purposes of determining the accuracy of assessments paid**
19 **or due to the commission, the commission may issue a subpoena for**
20 **the production of any books, records or documents related to the**
21 **payment or collection of an assessment to a person required to pay**
22 **or collect the assessment.**

23 **“(4) If an audit determines that a person is delinquent in the pay-**
24 **ment or collection of an assessment, the person shall pay the cost of**
25 **the audit, not to exceed an amount equal to the delinquent assess-**
26 **ment.**

27 **“SECTION 23. (1) In addition to the penalties prescribed in section**
28 **36 of this 2019 Act, a person who delays transmittal of funds beyond**
29 **the time set by the Oregon Hemp Commission shall pay a penalty of**
30 **10 percent of the amount due and one and one-half percent interest**

1 per month on the unpaid balance of the assessment.

2 “(2) The commission may waive the penalty and interest described
3 in subsection (1) of this section upon a showing of good cause, as de-
4 termined by the commission by rule.

5 “(3) Notwithstanding subsection (1) of this section, if an assessment
6 is collected pursuant to a federal marketing order or agreement, the
7 commission may establish a penalty or interest rate that is consistent
8 with the federal marketing order or agreement.

9 **“SECTION 24. (1) If a person responsible for the transmittal of as-
10 sessment moneys to the Oregon Hemp Commission fails to relinquish
11 assessment moneys collected, the person shall pay an amount equal
12 to twice the amount of the unrelinquished assessment moneys.**

13 **“(2) The commission may commence a civil action or utilize any
14 other available legal or equitable remedy to collect an assessment or
15 civil penalty, obtain injunctive relief or obtain specific performance
16 under sections 1 to 36 of this 2019 Act.**

17 **“(3) If the person responsible for the transmittal of assessment
18 moneys is a cooperative, corporation or joint venture, all directors and
19 officers of the cooperative, corporation or joint venture are personally
20 liable for a failure to relinquish the assessment moneys collected by
21 the cooperative, corporation or joint venture.**

22 **“(4) If the commission obtains a favorable judgment in an action
23 or suit under subsection (2) of this section, the court shall award to
24 the commission costs and reasonable attorney fees.**

25 **“(5) Unless the person required to pay an assessment and the person
26 responsible for collecting the assessment are related businesses, the
27 commission may not collect from the person required to pay the as-
28 sessment any amount deducted by the person responsible for collecting
29 the assessment and due and owing to the commission.**

30 **“SECTION 25. (1) A producer may dispute the amount of an as-**

1 assessment levied against the producer on a unit basis under section 18
2 of this 2019 Act if the total assessment levied against the producer
3 during an assessment period established by the Oregon Hemp Com-
4 mission by rule exceeds the total dollar value received by the producer
5 for the hemp during that assessment period multiplied by the maxi-
6 mum lawful assessment percentage.

7 “(2) A producer who disputes the amount of an assessment as pro-
8 vided under subsection (1) of this section may file a challenge to the
9 assessment with the commission not more than 60 days after the close
10 of the assessment period. The challenge must be filed on a form pro-
11 vided by the State Department of Agriculture. The commission shall
12 process a challenge under this section pursuant to rules adopted under
13 subsection (4) of this section.

14 “(3) A producer filing a challenge under this section has the burden
15 of proving the total dollar value received by the producer during the
16 assessment period. If the producer is also licensed as a handler or
17 processor, the producer also has the burden of proving the prices paid
18 to the producer are equivalent to prices paid in arm’s-length trans-
19 actions. The commission shall refund the amount of the assessment
20 that the producer proves is in excess of the total dollar value received
21 by the producer for the hemp during the assessment period multiplied
22 by the maximum lawful assessment percentage.

23 “(4)(a) The department shall adopt rules to carry out this section.
24 Rules adopted under this paragraph must include, but need not be
25 limited to, procedures for filing, processing and formal or informal
26 resolution of challenges and for determining hemp prices paid in
27 arm’s-length transactions.

28 “(b) The commission shall adopt rules establishing assessment pe-
29 riods and may adopt other rules as necessary and that do not conflict
30 with the rules adopted by the department under this subsection.

1 **“SECTION 26. (1) Moneys a person collects or receives from the**
2 **assessment levied pursuant to section 18 of this 2019 Act, and other**
3 **moneys the Oregon Hemp Commission receives, must be paid to the**
4 **authorized agent of the commission and promptly deposited into an**
5 **account established by the commission in a depository, as defined in**
6 **ORS 295.001, that is insured by the Federal Deposit Insurance Corpo-**
7 **ration or the National Credit Union Share Insurance Fund.**

8 **“(a) In a manner consistent with the requirements of ORS 295.001**
9 **to 295.108, the chairperson, vice chairperson and secretary-treasurer**
10 **for the commission shall ensure that sufficient collateral secures any**
11 **amount of funds on deposit that exceeds the coverage limits estab-**
12 **lished by the Federal Deposit Insurance Corporation or the National**
13 **Credit Union Share Insurance Fund.**

14 **“(b) All moneys in the account are continuously appropriated to the**
15 **commission for the purposes of carrying out the commission’s duties,**
16 **functions and powers.**

17 **“(2) Moneys may not be withdrawn from or paid out of the account**
18 **except upon order of the commission, and upon checks or other orders**
19 **upon accounts signed by the secretary-treasurer or other member of**
20 **the commission that the commission designates and countersigned by**
21 **another member, officer or employee of the commission that the**
22 **commission designates. The commission shall keep a receipt, voucher**
23 **or other written record showing clearly the nature and items covered**
24 **by each check or other order.**

25 **“(3) Subject to approval by the Director of Agriculture, the com-**
26 **mission may invest moneys the commission collects or receives. In-**
27 **vestments the commission makes are:**

28 **“(a) Limited to investments described in ORS 294.035;**

29 **“(b) Subject to the investments maturity date limitations described**
30 **in ORS 294.135; and**

1 “(c) Subject to the conduct prohibitions listed in ORS 294.145.

2 “(4) Interest earned from any moneys the commission invests under
3 subsection (3) of this section is available to the commission in a
4 manner consistent with the commission’s annual budget.

5 “(5) In addition to, or in lieu of, investments described in subsection
6 (3) of this section, the commission may invest in the investment pool
7 described in ORS 294.805. For purposes of ORS 294.805 to 294.895, the
8 commission is a public corporation and the secretary-treasurer of the
9 commission is the local government official.

10 “SECTION 27. (1) A person authorized by the Oregon Hemp Com-
11 mission to receive or disburse moneys under sections 1 to 36 of this
12 2019 Act shall obtain a fidelity bond from the Oregon Department of
13 Administrative Services.

14 “(2) The bond must be in an amount equal to the maximum amount
15 of moneys that the commission determines the person may control.
16 The commission may establish conditions on the person’s control of
17 moneys under this section.

18 “(3) The commission shall pay the cost of the bond.

19 “(4) If the person is an employee of the commission, the department
20 shall purchase the bond and the commission shall pay the cost of the
21 bond.

22 “SECTION 28. The Oregon Hemp Commission may cancel an un-
23 collectible assessment consistent with ORS 293.240. Subsequent col-
24 lection of debt written off under ORS 293.240 is governed by ORS
25 293.245.

26 “SECTION 29. The Oregon Hemp Commission shall maintain accu-
27 rate books, records and accounts of its dealings. The books, records
28 and accounts of the commission must be open to inspection and audit
29 by the Secretary of State.

30 “SECTION 30. (1) The Oregon Hemp Commission shall adopt an

1 annual budget, using classifications of expenditures and revenues re-
2 quired by ORS 291.206. The budget described in this subsection is not
3 subject to review by the Legislative Assembly or to future modification
4 by the Emergency Board or the Legislative Assembly.

5 “(2)(a) The commission shall follow generally accepted accounting
6 principles and keep financial and statistical information as necessary
7 to completely and accurately disclose the financial operations of the
8 commission as required by the Secretary of State.

9 “(b) The budget must show:

10 “(A) The estimated receipts and expenditures by or under the au-
11 thority of the commission under sections 1 to 36 of this 2019 Act for
12 the fiscal year for which the budget is adopted; and

13 “(B) The actual receipts and expenditures by or under the authority
14 of the commission for the fiscal year preceding the fiscal year in which
15 the proposed budget is prepared, and the estimated receipts and ex-
16 penditures by or under the authority of the commission for the fiscal
17 year in which the budget is prepared.

18 “(3) Estimated receipts and expenditures for the fiscal year for
19 which the budget is adopted must be fully itemized and be prepared
20 and arranged clearly to show each item of receipts and expenditures.
21 To the extent practicable, the items of receipts and expenditures must
22 be arranged under major groups or categories that are the same as the
23 most recent classifications of revenue and expenditures established
24 pursuant to ORS 291.206.

25 “(4) The budget must contain only one estimate for emergency or
26 other expenditures that are unforeseen at the time the budget is pre-
27 pared.

28 “(5)(a) The commission shall call and hold at least one public
29 meeting on the proposed budget. The commission shall, in determining
30 the time and place of the meeting, consider the convenience of the

1 majority of the producers licensed by the commission.

2 “(b) At a meeting described in this subsection, any person has the
3 right to be heard with respect to the proposed budget.

4 “(6) At least 14 days prior to the date of a meeting described in
5 subsection (5) of this section, the commission shall publish notice at
6 least once in a newspaper of general circulation in this state. The no-
7 tice must include the purpose, time and place of the meeting and state
8 that a copy of the proposed budget is available for public inspection
9 at the place of business of the commission or other location.

10 “(7)(a) After a budget has been adopted, the commission shall sub-
11 mit to the Director of Agriculture a copy of the budget and an affida-
12 vit setting forth the pertinent facts relating to the preparation and
13 adoption of the budget. The director shall examine the budget and af-
14 fidavit within 30 days of their receipt.

15 “(b) If the director determines that the estimated receipts and ex-
16 penditures conform with the authority of the commission and other
17 requirements, and the facts set forth in the affidavit indicate the
18 budget was lawfully prepared and adopted, the director shall certify
19 those determinations on the copy of the budget and make the budget
20 final.

21 “(c) If the director determines that the budget fails to meet re-
22 quirements, the director shall immediately notify the commission of
23 the failures. The commission shall promptly take all practicable
24 measures to remedy the failures and resubmit a copy of the budget to
25 the director.

26 “(d) The director shall retain the certified copy of the final budget
27 and make the budget available for public inspection during normal
28 business hours of the State Department of Agriculture.

29 “(8) The commission shall:

30 “(a) Prepare an annual financial statement of commission revenues

1 and expenses and make the statement available for public review;

2 “(b) Provide a copy of the annual financial statement and other
3 required reports to the department not later than 20 days after the end
4 of the fiscal year; and

5 “(c) Upon request of the Secretary of State, provide a copy of the
6 statement to the secretary.

7 **“SECTION 31. An expenditure of moneys for a fiscal year may not
8 be made or incurred by or under the authority of the Oregon Hemp
9 Commission under sections 1 to 36 of this 2019 Act unless the com-
10 mission complies with section 30 of this 2019 Act.**

11 **“SECTION 32. (1) Except as otherwise provided in subsection (2) of
12 this section, an expenditure of moneys for a fiscal year may not be
13 made or incurred by or under the authority of the Oregon Hemp
14 Commission under sections 1 to 36 of this 2019 Act:**

15 **“(a) In excess of the total amount of expenditures estimated for the
16 fiscal year in the budget adopted for the fiscal year or in excess of the
17 total amount of expenditures estimated for any major category in the
18 budget adopted for the fiscal year.**

19 **“(b) For any purpose different than that indicated by the major
20 category in the budget adopted for the fiscal year.**

21 **“(2) An expenditure of moneys for a fiscal year unforeseen at the
22 time the budget is prepared may not be made or incurred by or under
23 the authority of the commission under sections 1 to 36 of this 2019 Act
24 in excess of the amount of unforeseen expenditures estimated as pro-
25 vided in section 30 of this 2019 Act.**

26 **“SECTION 33. (1) Subject to section 32 (2) of this 2019 Act, expend-
27 itures of moneys for a fiscal year unforeseen at the time the Oregon
28 Hemp Commission budget is prepared may be made or incurred by
29 order of the commission. When an unforeseen expenditure of moneys
30 occurs in a fiscal year, the commissioners must approve a motion for**

1 **an order of a fund transfer. The motion must include:**

2 **“(a) The amount and purpose of the expenditure and why the ex-**
3 **penditure was unforeseen;**

4 **“(b) A request for the certification by the Director of Agriculture**
5 **of the order;**

6 **“(c) The specific major category of the budget to which the specific**
7 **funds are to be allocated; and**

8 **“(d) The specific major category of the budget from which the funds**
9 **are to be transferred.**

10 **“(2) At least one copy of the order for the fund transfer must be**
11 **filed in the office of the commission and made available for public in-**
12 **spection during normal business hours of the commission.**

13 **“(3) The commission shall send the request for certification of the**
14 **order for the fund transfer to the director. The director shall:**

15 **“(a) Examine the request, the commission’s most recent financial**
16 **statement, the minutes of the meeting at which the commissioners**
17 **approved the motion to request the order and the budget to which the**
18 **order relates.**

19 **“(b) Certify the order if the director determines that the form of the**
20 **order is in accordance with the law, that the facts set forth in the**
21 **order and the budget to which the order relates indicate that the order**
22 **is in accordance with the law and that the proposed unforeseen ex-**
23 **penditure is appropriate to accomplish the goals and needs of the**
24 **commission.**

25 **“(c) Immediately notify the commission if the director determines**
26 **that the order is defective because:**

27 **“(A) Of a failure to comply with section 30 of this 2019 Act;**

28 **“(B) The final budget or the preparation or adoption of the final**
29 **budget is defective; or**

30 **“(C) The estimated expenditures do not conform with statutory re-**

1 **quirements.**

2 **“(4) If the director finds that the order is defective, the commission**
3 **shall promptly take all practicable steps to remedy the defects.**

4 **“(5) After certifying an order under this section, the director shall**
5 **retain the certified copy of the order and make the copy available for**
6 **public inspection during normal business hours of the State Depart-**
7 **ment of Agriculture.**

8 **“SECTION 34. (1) Unless the Legislative Assembly orders a refund**
9 **pursuant to subsection (2) of this section, if the Legislative Assembly**
10 **abolishes the Oregon Hemp Commission, any moneys remaining in the**
11 **possession of the abolished commission on the effective date of the**
12 **abolishment are transferred to Oregon State University and are con-**
13 **tinuously appropriated to the university for research benefitting pro-**
14 **ducers.**

15 **“(2) The Legislative Assembly may order in an Act dissolving the**
16 **commission that any moneys remaining in the possession of the abol-**
17 **ished commission on the effective date of the abolishment be refunded**
18 **on a proportional basis to the persons who paid assessments to the**
19 **commission during the assessment year in which the commission was**
20 **abolished.**

21 **“SECTION 35. Any sale of hemp by a producer or handler is a sale**
22 **in commercial channels for the purposes of section 36 of this 2019 Act.**

23 **“SECTION 36. Violation of any provision of sections 1 to 36 of this**
24 **2019 Act is a Class C misdemeanor.**

25 **“SECTION 37. Sections 1 to 36 of this 2019 Act apply to hemp**
26 **produced, processed, delivered, transferred or sold on and after the**
27 **operative date of this 2019 Act.**

28 **“SECTION 38. (1) Sections 1 to 36 of this 2019 Act become operative**
29 **on January 1, 2020.**

30 **“(2) The Director of Agriculture, the State Department of Agricul-**

1 ture, the Oregon Department of Justice and the Oregon Department
2 of Administrative Services may take any action before the operative
3 date specified in subsection (1) of this section that is necessary to en-
4 able the director and the departments to exercise, on and after the
5 operative date specified in subsection (1) of this section, all of the du-
6 ties, functions and powers conferred on the director and the depart-
7 ments by sections 1 to 36 of this 2019 Act.

8
9 **“OREGON HEMP PROGRAM**

10
11 **“SECTION 39.** Section 2, chapter 116, Oregon Laws 2018, is amended to
12 read:

13 **“Sec. 2.** ORS 571.300 to 571.348 shall be known and may be cited as the
14 [*Oregon Industrial Hemp Agricultural Pilot Program and Research Act*]
15 **Oregon Hemp Program Act.**

16 **“SECTION 40.** Section 3, chapter 116, Oregon Laws 2018, is amended to
17 read:

18 **“Sec. 3.** The State Department of Agriculture shall administer [*an Oregon*
19 *Industrial Hemp Agricultural Pilot Program*] **the Oregon Hemp Program**
20 for the purpose of [*studying the growth, cultivation and marketing of indus-*
21 *trial hemp in this state*] **commercial production and sale of hemp.** In
22 carrying out the program, the department:

23 **“(1)** Shall administer ORS 571.300 to 571.348;

24 **“(2) Shall develop a state hemp plan to regulate hemp as an agri-**
25 **cultural commodity in compliance with the Agricultural Improvement**
26 **Act of 2018 (P.L. 115-334) and subsequent federal law;**

27 **“[(2)] (3) Shall adopt by rule any enforcement, licensing, registration,**
28 **record keeping and reporting requirements necessary to administer the pro-**
29 **gram in compliance with the Agricultural Improvement Act of 2018**
30 **(P.L. 115-334) and subsequent federal law;**

1 “[3] (4) May purchase, possess, seize or dispose of [*industrial*] hemp or
2 products or commodities **produced from hemp** as the department deems
3 necessary to enforce and ensure compliance with ORS 571.300 to 571.348 or
4 department rules relating to ORS 571.300 to 571.348; and

5 “[4] (5) May exercise any other power or perform any other function
6 necessary to administer the program.

7 **“SECTION 41.** Section 7, chapter 116, Oregon Laws 2018, is amended to
8 read:

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

12 “(2) The Director of Agriculture, or the director’s agent, and the Dean
13 of the College of Agricultural Sciences of Oregon State University, or the
14 dean’s agent, shall establish a program for the labeling and certification of
15 agricultural hemp seed. For purposes of the program:

16 “(a) The director and the dean shall perform their respective duties under
17 ORS 633.511 to 633.750 with respect to agricultural hemp seed in the same
18 manner that the director and dean perform their respective duties under ORS
19 633.511 to 633.750 with respect to other agricultural seed or flower seed, in-
20 cluding but not limited to those duties related to labeling, testing and cer-
21 tifying seeds; and

22 “(b) The director and the dean shall exercise their respective functions
23 and powers under ORS 633.511 to 633.750 with respect to agricultural hemp
24 seed in the same manner that the director and dean exercise their respective
25 functions and powers under ORS 633.511 to 633.750 with respect to other
26 agricultural seed or flower seed, including but not limited to inspecting and
27 sampling seeds and making rules and regulations under ORS 633.680.

28 “(3) Notwithstanding subsections (1) and (2) of this section, if the director
29 in consultation with the dean determines that a specific provision of ORS
30 633.511 to 633.750, or a specific rule or regulation made under ORS 633.511

1 to 633.750, that applies to other agricultural seed or flower seed is inade-
2 quate or not suitable for the regulation of agricultural hemp seed, the di-
3 rector may by rule exempt agricultural hemp seed from the provision, rule
4 or regulation and make rules providing more adequate or suitable regulation
5 of agricultural hemp seed.

6 “(4)(a) The director and the dean shall collaborate with growers [*regis-*
7 *tered*] **licensed** under ORS 571.305 in performing their respective duties and
8 exercising their respective functions and powers under ORS 633.511 to
9 633.750 with respect to agricultural hemp seed.

10 “(b) The director and the dean may collaborate with growers [*registered*]
11 **licensed** under ORS 571.305 and other stakeholders to develop a heritage
12 agricultural hemp seed for this state.

13 “(5) The director and the dean may collaborate with entities authorized
14 to certify seeds under the laws of other states in performing their respective
15 duties and exercising their respective functions and powers under ORS
16 633.511 to 633.750 with respect to agricultural hemp seed.

17 “(6) A grower [*registered*] **licensed** under ORS 571.305 is not required, for
18 purposes related to growing [*industrial*] hemp, to use an agricultural hemp
19 seed variety certified under the program described in this section.

20 “(7) The State Department of Agriculture may establish by rule waivers
21 to, or exemptions from, tests that would otherwise be conducted to determine
22 a crop’s average **delta-9** tetrahydrocannabinol concentration for crops
23 planted with agricultural hemp seed varieties certified pursuant to the pro-
24 gram described in this section.

25 “**SECTION 42.** Section 9, chapter 116, Oregon Laws 2018, is amended to
26 read:

27 “**Sec. 9. (1)** The State Department of Agriculture may by rule or order
28 establish a process providing for the remediation of a violation of ORS
29 571.330 or 571.333 that is committed by a grower or handler [*registered*] **li-**
30 **censed** under ORS 571.305 and is not committed intentionally.

1 “(2) Subject to federal authorization and rules adopted by the de-
2 partment, if the results of the test of a hemp crop indicate that the
3 crop has a higher average delta-9 tetrahydrocannabinol concentration
4 than that defined by federal law, the grower shall promptly dispose of
5 the crop as follows:

6 “(a) By harvesting and transferring or selling for processing for use
7 as fiber or any other lawful purpose denuded hemp stalks.

8 “(b) By harvesting and transferring or selling for processing for use
9 in products hemp seed in a manner that renders the hemp seed inca-
10 pable of germination, provided the hemp seed is sourced from hemp
11 grown with seed certified pursuant to a seed certification program
12 administered or recognized by the department.

13 “(c) Hemp plant material not disposed of pursuant to paragraphs
14 (a) and (b) of this subsection must be destroyed or used on site in a
15 manner approved of and verified by the department and may not be
16 added to or processed into any consumable product.

17 SECTION 43. Section 10, chapter 116, Oregon Laws 2018, is amended to
18 read:

19 “**Sec. 10.** The State Department of Agriculture may charge growers and
20 handlers [*registered*] **licensed** under ORS 571.305 fees reasonably calculated
21 by the department to pay the cost of sampling or testing [*industrial*] hemp
22 or [*industrial hemp*] commodities or products **produced from hemp** under
23 ORS 571.330 and 571.333. Moneys from fees charged under this section shall
24 be deposited in the [*Industrial*] Hemp Fund established under section 30 [*of*
25 *this 2018 Act*], **chapter 116, Oregon Laws 2018.**

26 “SECTION 44. Section 14, chapter 116, Oregon Laws 2018, is amended to
27 read:

28 “**Sec. 14.** (1) The Oregon Liquor Control Commission may purchase, pos-
29 sess, seize or dispose of [*industrial hemp products or*] **hemp or** commodities
30 **or products produced from hemp that are** located on a premises licensed

1 under ORS 475B.070, 475B.090, 475B.100, 475B.105 or 475B.560 or other area
2 under the control of the premises licensee as the commission deems necessary
3 to enforce and ensure compliance with:

4 “(a) ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to
5 475B.655 or rules adopted by the commission relating to ORS 475B.010 to
6 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655; or

7 “(b) Any provision in ORS 571.300 to 571.348 or in rules adopted by the
8 commission or State Department of Agriculture under ORS 571.300 to 571.348
9 that makes a requirement, restriction or other provision of ORS 475B.010 to
10 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655 applicable to [*indus-*
11 *trial*] hemp.

12 “(2) If the commission purchases, possesses, seizes or disposes of [*indus-*
13 *trial hemp products or*] **hemp or commodities or products produced from**
14 **hemp** under this section to enforce or ensure compliance with a provision
15 of ORS 571.300 to 571.348 or rule adopted by the department under ORS
16 571.300 to 571.348 that makes a requirement, restriction or other provision
17 of ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655
18 applicable to [*industrial*] hemp, the commission shall notify the department
19 of the commission action as soon as practicable.

20 “**SECTION 45.** Section 15, chapter 116, Oregon Laws 2018, is amended to
21 read:

22 “**Sec. 15.** (1) As used in this section:

23 “[*(a) ‘Consumption’ has the meaning given that term in ORS 571.330.*]

24 “[*(b)*] (a) ‘Processor’ means a person licensed under ORS 475B.090.

25 “[*(c)*] (b) ‘Retailer’ means a person licensed under ORS 475B.105.

26 “[*(d)*] (c) ‘Wholesaler’ means a person licensed under ORS 475B.100.

27 “(2) [*Except as provided in section 15a of this 2018 Act,*] A processor,
28 retailer or wholesaler may purchase, receive, transfer, sell or transport [*in-*
29 *dustrial*] hemp, or [*an industrial hemp*] **a commodity or product** [*that contains*
30 *cannabinoids and is intended for human consumption,*] **produced from hemp**

1 only if:

2 “(a) The processor, retailer or wholesaler received the hemp, commodity
3 or product from a grower or handler [*registered*] **licensed** under ORS 571.305
4 or a processor;

5 “(b) The grower, handler or processor under paragraph (a) of this sub-
6 section is registered by the Oregon Liquor Control Commission as provided
7 under ORS 571.336; and

8 “(c) The hemp, commodity or product meets the requirements for
9 marijuana items under ORS 475B.010 to 475B.545, 475B.550 to 475B.590 and
10 475B.600 to 475B.655 and rules adopted by the commission.

11 “(3) A grower, handler or processor registered as described under ORS
12 571.336 (2)(a) shall enter hemp, **or a** commodity or product [*that contains*
13 *cannabinoids, is intended for human consumption*] **produced from hemp** and
14 is intended for transfer, sale or transport to a processor, retailer or whole-
15 saler licensed under ORS 475B.010 to 475B.545 into the tracking system de-
16 scribed in ORS 475B.177 before the hemp, commodity or product is
17 transferred to a laboratory described in ORS 571.330 (2) for testing of a type
18 described under ORS 475B.555. The commission shall continue to track the
19 hemp, commodity or product entered into the system under this subsection
20 when the hemp, commodity or product is transferred, sold or transported to
21 a premises licensed under ORS 475B.010 to 475B.545, or to other areas under
22 the control of the premises licensee.

23 “(4) The State Department of Agriculture shall adopt rules regarding the
24 activities of growers and handlers under this section.

25 “(5) The commission shall adopt rules regarding the activities of process-
26 ors, retailers, wholesalers and laboratories under this section.

27 “**SECTION 46.** Section 15a, chapter 116, Oregon Laws 2018, is amended
28 to read:

29 “**Sec. 15a.** (1) As used in this section:

30 “(a) ‘Consumer’ has the meaning given that term in ORS 475B.015.

1 “(b) ‘Retailer’ means a person licensed under ORS 475B.105.

2 “(2) [*Industrial*] Hemp **or** products **produced from hemp** that contain
3 more than 0.3 percent **delta-9** tetrahydrocannabinol may not be sold to a
4 consumer by a person other than a retailer.

5 “(3) **Subject to subsection (2) of this section, growers licensed under**
6 **ORS 571.305, handlers licensed under ORS 571.305, subsequent man-**
7 **ufacturers of hemp or commodities or products produced from hemp,**
8 **processors licensed under ORS 475B.090, wholesalers licensed under**
9 **ORS 475B.100 and retailers licensed under ORS 475B.105 may possess,**
10 **process, receive, transfer or sell hemp and commodities or products**
11 **produced from hemp that contain more than 0.3 percent delta-9**
12 **tetrahydrocannabinol concentration to handlers licensed under ORS**
13 **571.305, subsequent manufacturers of hemp or products produced from**
14 **hemp, processors licensed under ORS 475B.090, wholesalers licensed**
15 **under ORS 475B.100 or retailers licensed under ORS 475B.105.**

16 “[~~(3)~~] (4) **The State Department of Agriculture and the Oregon Liquor**
17 **Control Commission shall adopt rules establishing measures [*the commission***
18 ***deems necessary for ensuring*] to ensure** compliance with this section.

19 “**SECTION 47.** Section 30, chapter 116, Oregon Laws 2018, is amended to
20 read:

21 “**Sec. 30.** There is established in the State Treasury, separate and distinct
22 from the General Fund, the [*Industrial*] Hemp Fund. Interest earned by the
23 fund shall be credited to the fund. The fund shall consist of all moneys
24 credited to or deposited in the fund. Moneys in the fund are continuously
25 appropriated to the State Department of Agriculture for the purposes of im-
26 plementing, administering and enforcing ORS 571.300 to 571.348.

27 “**SECTION 48.** ORS 571.300, as amended by section 27, chapter 116,
28 Oregon Laws 2018, is amended to read:

29 “571.300. As used in ORS 571.300 to 571.348:

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

1 “(a) That is sold to or intended to be sold [*to registered growers*] for
2 planting; or

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

5 “(2) ‘Crop’ means [*industrial*] hemp grown under a single [*registration*]
6 **license.**

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

9 “(4) ‘Handler’ means a person, joint venture [*or*], cooperative **or corpo-**
10 **ration** that receives [*industrial*] hemp for processing into commodities, pro-
11 ducts or agricultural hemp seed.

12 “(5) **‘Hemp’ means the plant Cannabis sativa L. and any part of that**
13 **plant, including the seeds thereof and all derivatives, extracts,**
14 **cannabinoids, isomers, acids, salts and salts of isomers, whether**
15 **growing or not, with a delta-9 tetrahydrocannabinol concentration of**
16 **not more than 0.3 percent on a dry weight basis. The State Department**
17 **of Agriculture may by rule adopt any higher average**
18 **tetrahydrocannabinol concentration limit established in federal law.**

19 “[*(5) ‘Industrial hemp’:*]

20 “[*(a) Except as provided in this paragraph, means all nonseed parts and*
21 *varieties of the Cannabis plant, whether growing or not, that contain an av-*
22 *erage tetrahydrocannabinol concentration that does not exceed 0.3 percent on*
23 *a dry weight basis. The State Department of Agriculture, by rule, may adopt*
24 *any higher average tetrahydrocannabinol concentration limit established in*
25 *federal law.*]

26 “[*(b) Means any Cannabis seed:*]

27 “[*(A) That is part of a crop;*]

28 “[*(B) That is retained by a grower for future planting;*]

29 “[*(C) That is agricultural hemp seed;*]

30 “[*(D) That is for processing into or for use as agricultural hemp seed; or*]

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

3 “[(c) Does not mean industrial hemp commodities or products.]

4 “[(6) ‘Industrial hemp concentrate’ means an industrial hemp product ob-
5 tained by separating cannabinoids from industrial hemp by:]

6 “[(a) A mechanical process;]

7 “[(b) A chemical extraction process using a nonhydrocarbon-based solvent,
8 such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol
9 or ethanol;]

10 “[(c) A chemical extraction process using carbon dioxide, provided that the
11 process does not involve the use of high heat or pressure; or]

12 “[(d) Any other process identified by the department by rule.]

13 “[(7)] **(6)** ‘[Industrial] Hemp extract’ means [an industrial] a hemp product
14 obtained by separating cannabinoids from [industrial] hemp by:

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

17 “(b) A chemical extraction process using carbon dioxide, if the process
18 uses high heat or pressure[; or]

19 “[(c) Any other process identified by the department by rule].

20 **“(7) ‘Processor’ has the meaning given the term ‘handler’ in this
21 section.**

22 **“(8) ‘Producer’ has the meaning given the term ‘grower’ in this
23 section.**

24 **“SECTION 49.** ORS 571.303 is amended to read:

25 “571.303. (1) [Industrial] Hemp is an agricultural product that is subject
26 to regulation by the State Department of Agriculture.

27 “(2) For purposes of ORS chapter 616, the department may not consider
28 [industrial] hemp [or industrial hemp commodities or products] to be an
29 adulterant.

30 **“SECTION 50.** ORS 571.305, as amended by section 28, chapter 116,

1 Oregon Laws 2018, is amended to read:

2 “571.305. (1) To grow or handle [*industrial*] hemp, a person must be [*reg-*
3 *istered with*] **licensed by** the State Department of Agriculture as a grower
4 or handler.

5 “(2)(a) Only a grower or handler [*registered*] **licensed** under this section
6 may produce agricultural hemp seed. For a grower or handler to produce
7 agricultural hemp seed, the grower or handler must be registered with the
8 department as an agricultural hemp seed producer.

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

10 “(A) A grower [*registered*] **licensed** under this section that retains agri-
11 cultural hemp seed for the purpose of personally propagating [*industrial*]
12 hemp in a subsequent year is not required to register with the department
13 as an agricultural hemp seed producer; and

14 “(B) A grower or handler [*registered*] **licensed** under this section that
15 produces Cannabis seeds that are incapable of germination, or a handler
16 [*registered*] **licensed** under this section that processes Cannabis seeds that
17 are incapable of germination into commodities or products, is not required
18 to register with the department as an agricultural hemp seed producer.

19 “(3) An applicant for registration **or licensure** under this section must
20 submit to the department, in a form and manner prescribed by the depart-
21 ment, the following information:

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

23 “(b) The name and address of the [*industrial*] hemp operation of the ap-
24 plicant; and

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

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

30 “(5) A registration **or license** under this section is a personal privilege

1 and is not transferable.

2 “(6) A grower or handler registered **or licensed** under this section must
3 keep records as required by the department by rule. Upon not less than
4 three days’ notice, the department may subject the records to inspection or
5 audit during normal business hours. The department may make an in-
6 spection or audit for the purpose of ensuring compliance with:

7 “(a) A provision of ORS 571.300 to 571.348;

8 “(b) A rule adopted under a provision of ORS 571.300 to 571.348; or

9 “(c) An order issued by the department pursuant to a provision of ORS
10 571.300 to 571.348 or a rule adopted under a provision of ORS 571.300 to
11 571.348.

12 “(7) In addition to any inspection conducted pursuant to ORS 561.275, the
13 department may inspect any crop during the crop’s growth phase and take
14 a representative composite sample for field analysis. **Subject to federal**
15 **authorization and rules adopted by the department, the department**
16 **may use homogenization methods in sampling and to ensure that a**
17 **sample is representative.** If a crop contains an average **delta-9**
18 tetrahydrocannabinol concentration exceeding 0.3 percent on a dry weight
19 basis or a **delta-9** tetrahydrocannabinol concentration exceeding the con-
20 centration allowed under federal law, whichever is greater, the department
21 may detain, seize or embargo the crop as provided under ORS 561.605 to
22 561.620, subject to any process established under section 9, chapter 116,
23 Oregon Laws 2018.

24 “(8) The department may charge growers, handlers and agricultural hemp
25 seed producers application fees, **licensure and renewal of licensure fees,**
26 registration and renewal of registration fees, administrative change fees and
27 fees for other services in amounts reasonably calculated by the department
28 to pay the cost of administering ORS 571.300 to 571.348. Moneys from fees
29 charged under this subsection shall be deposited in the [*Industrial*] Hemp
30 Fund established under section 30, chapter 116, Oregon Laws 2018.

1 “(9) The department may adopt rules establishing public health and safety
2 standards and industry best practices for growers and handlers registered
3 **or licensed** under this section.

4 **“SECTION 51.** ORS 571.315 is amended to read:

5 “571.315. (1) Subject to the provisions of ORS chapter 183, the State De-
6 partment of Agriculture may revoke the **license or** registration of a grower,
7 handler or agricultural hemp seed producer or refuse to **license or** register
8 or renew the **license or** registration if a grower, handler or agricultural
9 hemp seed producer violates:

10 “(a) A provision of ORS 571.300 to 571.348;

11 “(b) A rule adopted under a provision of ORS 571.300 to 571.348;

12 “(c) An order issued by the department pursuant to a provision of ORS
13 571.300 to 571.348 or a rule adopted under a provision of ORS 571.300 to
14 571.348; or

15 “(d) Any statutory law or department rule related to agricultural activ-
16 ities other than [*industrial*] hemp operations.

17 “(2) The department may not discipline a grower, handler or agricultural
18 hemp seed producer under this section on the basis that possessing, deliver-
19 ing [*and*], manufacturing **or selling** [*industrial*] hemp are prohibited by fed-
20 eral law.

21 **“SECTION 52.** ORS 571.318 is amended to read:

22 “571.318. A grower [*registered*] **licensed** under ORS 571.305 may use any
23 propagation method, including planting seeds or starts or the use of clones
24 or cuttings, to produce [*industrial*] hemp.

25 **“SECTION 53.** ORS 571.327 is amended to read:

26 “571.327. (1) An agricultural hemp seed producer registered under ORS
27 571.305:

28 “(a) Must sell agricultural hemp seed in a manner that complies with any
29 standard established by the Director of Agriculture under ORS 633.511 to
30 633.750; and

1 “(b) May sell agricultural hemp seed only if the agricultural hemp seed
2 meets any packaging or labeling requirement, or any quality standard,
3 adopted by the director under subsection (2) of this section.

4 “(2) The director may adopt rules establishing packaging requirements,
5 labeling requirements and quality standards for agricultural hemp seed.

6 “(3) The State Department of Agriculture shall make available to growers
7 [*registered*] **licensed** under ORS 571.305 information that identifies agricul-
8 tural hemp seed producers registered under ORS 571.305 from whom the
9 growers may purchase agricultural hemp seed.

10 “**SECTION 54.** ORS 571.330, as amended by section 11, chapter 116,
11 Oregon Laws 2018, is amended to read:

12 “571.330. (1) For purposes of this section, ‘consumption’ means to
13 ingest[,] **or** inhale [*or topically apply to the skin or hair*].

14 “(2)(a) A laboratory licensed by the Oregon Liquor Control Commission
15 under ORS 475B.560 and accredited by the Oregon Health Authority pursuant
16 to ORS 475B.565 may test [*industrial*] hemp and [*industrial hemp*] commod-
17 ities and products produced [*or processed by a grower, handler or agricultural*
18 *hemp seed producer registered under ORS 571.305*] **from hemp**.

19 “(b) An accredited independent testing laboratory that has been approved
20 by the authority or the State Department of Agriculture may test
21 [*industrial*] hemp and [*industrial hemp*] commodities and products produced
22 [*or processed by a grower, handler or agricultural hemp seed producer regis-*
23 *tered under ORS 571.305*] **from hemp**.

24 “(3) A [*grower or handler*] **person** may not sell or transfer [*an industrial*
25 *hemp*] **a** commodity or product **produced from hemp if the commodity or**
26 **product** [*that*] is intended for human consumption unless the commodity or
27 product is tested by a laboratory described in subsection (2) of this section
28 to ensure that the commodity or product meets the requirements adopted by
29 the [*Oregon Health*] authority under ORS 475B.555 (1)(a) and (b) and (2) for
30 testing marijuana items.

1 “(4) A person may not sell or transfer hemp or a commodity or
2 product produced from hemp if the hemp, commodity or product is
3 intended for human consumption by ingestion unless the hemp, com-
4 modity or product is processed in a facility licensed under ORS 616.695
5 to 616.755.

6 “(5) A person may not sell or transfer hemp, a hemp concentrate,
7 hemp extract or commodity or product produced from hemp to a con-
8 sumer unless the hemp, hemp concentrate, hemp extract or commod-
9 ity or product is tested for potency pursuant to rules adopted by the
10 department under this section.

11 “[(4)] (6) For purposes of this section, the department shall adopt rules:

12 “(a) Establishing protocols for the testing of [*industrial*] hemp **and** com-
13 modities and products **produced from hemp**; and

14 “(b) Establishing procedures for determining batch sizes and for sampling
15 [*industrial*] hemp **and** commodities and products **produced from hemp**.

16 “[(5) *This section does not apply to:*]

17 “[(a) *Agricultural hemp seed;*]

18 “[(b) *Seeds of the plant genus Cannabis within the plant family*
19 *Cannabaceae that are incapable of germination;*]

20 “[(c) *Products derived from seeds described in paragraph (b) of this sub-*
21 *section; or*]

22 “[(d) *Other parts of industrial hemp that the department identifies by rule*
23 *as exempt.*]

24 “(7) **This section does not apply to parts of hemp or commodities**
25 **or products produced from hemp that the department exempts by rule.**

26 “**SECTION 55.** ORS 571.333, as amended by section 12, chapter 116,
27 Oregon Laws 2018, is amended to read:

28 “571.333. (1) The State Department of Agriculture may enter into an
29 agreement with the Oregon Health Authority for the purpose of developing
30 standards for investigating and testing [*an industrial*] **a** hemp crop to deter-

1 mine the average **delta-9** tetrahydrocannabinol concentration of the crop.

2 “(2) In accordance with standards developed under subsection (1) of this
3 section, a laboratory described in ORS 571.330 may test [*an industrial*] a
4 hemp crop for the purpose of determining the average **delta-9**
5 tetrahydrocannabinol concentration of the crop. The laboratory must provide
6 the test results to the department in a form and manner prescribed by the
7 department.

8 **“SECTION 56.** ORS 571.336 is amended to read:

9 “571.336. (1) As used in this section, ‘licensee,’ ‘marijuana,’ ‘marijuana
10 item’ and ‘marijuana processor’ have the meanings given those terms in ORS
11 475B.015.

12 “(2) A grower [*registered*] **licensed** under ORS 571.305 may deliver [*in-*
13 *dustrial*] hemp, and a handler [*registered*] **licensed** under ORS 571.305 may
14 deliver [*industrial*] hemp concentrates and [*industrial*] hemp extracts, to a
15 marijuana processor that holds a license issued under ORS 475B.090, if:

16 “(a) The grower or handler and the marijuana processor are registered
17 with the Oregon Liquor Control Commission, in a form and manner pre-
18 scribed by the commission, for the purpose of processing [*industrial*] hemp,
19 [*industrial*] hemp concentrates and [*industrial*] hemp extracts;

20 “(b) The marijuana processor is provided with the results of any test
21 conducted on the [*industrial*] hemp, [*industrial*] hemp concentrate or [*indus-*
22 *trial*] hemp extract pursuant to ORS 571.300 to 571.348 as a condition of the
23 marijuana processor’s receiving the [*industrial*] hemp, [*industrial*] hemp
24 concentrate or [*industrial*] hemp extract;

25 “(c) The marijuana processor keeps the results of any test that the
26 marijuana processor receives pursuant to paragraph (b) of this subsection in
27 a form and manner prescribed by the commission;

28 “(d) The [*industrial*] hemp, [*industrial*] hemp concentrate or [*industrial*]
29 hemp extract is tracked using the system developed and maintained under
30 ORS 475B.177 when the [*industrial*] hemp, [*industrial*] hemp concentrate or

1 [industrial] hemp extract is delivered to the premises of the marijuana
2 processor; and

3 “(e) The grower or handler and the marijuana processor meet any other
4 requirement established by the commission by rule.

5 “(3) [Industrial] Hemp, [industrial] hemp concentrates and [industrial]
6 hemp extracts may be processed by a marijuana processor registered under
7 this section into any [industrial hemp] commodity or product or used by a
8 marijuana processor registered under this section to supplement the pro-
9 cessing of any marijuana item.

10 “(4) An [industrial] hemp concentrate, [industrial] hemp extract, [indus-
11 trial hemp] commodity or product or marijuana item processed pursuant to
12 this section may be delivered by a marijuana processor registered under this
13 section to a licensee as described in ORS 475B.206, provided that the [in-
14 dustrial] hemp concentrate, [industrial] hemp extract, [industrial hemp]
15 commodity or product or marijuana item meets any applicable requirement
16 for marijuana items set forth in ORS 475B.010 to 475B.545, 475B.550 to
17 475B.590 and 475B.600 to 475B.655 and rules adopted under ORS 475B.010 to
18 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655.

19 “(5) The commission may impose an annual fee reasonably calculated to
20 not exceed the cost of administering this section on growers registered under
21 this section, handlers registered under this section and marijuana processors
22 registered under this section. Fees collected under this section shall be de-
23 posited in the Marijuana Control and Regulation Fund established under
24 ORS 475B.296. Moneys deposited in the fund pursuant to this subsection are
25 continuously appropriated to the commission for the purpose of administer-
26 ing this section.

27 “**SECTION 57.** ORS 571.348, as amended by section 31, chapter 116,
28 Oregon Laws 2018, is amended to read:

29 “571.348. (1) Subject to the provisions of ORS chapter 183, the State De-
30 partment of Agriculture may impose a civil penalty not to exceed \$2,500 on

1 a person for violating:

2 “(a) A provision of ORS 571.300 to 571.348;

3 “(b) A rule adopted under a provision of ORS 571.300 to 571.348; [or]

4 “(c) An order issued by the department pursuant to a provision of ORS
5 571.300 to 571.348 or a rule adopted under a provision of ORS 571.300 to
6 571.348.]; or

7 “(d) **Any requirements established by the United States Department
8 of Agriculture in compliance with the Agriculture Improvement Act
9 of 2018 (P.L. 115-334), or subsequent federal law.**

10 “(2) The [department] **State Department of Agriculture** may not disci-
11 pline a person under this section on the basis that possessing, delivering
12 [and], manufacturing **or selling** [industrial] hemp are prohibited by federal
13 law.

14 “(3) All moneys collected by the [department] **State Department of Ag-
15 riculture** under this section shall be deposited in the General Fund in the
16 State Treasury to the credit of the [Industrial] Hemp Fund established under
17 section 30, chapter 116, Oregon Laws 2018.

18 “**SECTION 58. A grower or handler registered under ORS 571.305
19 that meets the requirements for renewal of the registration shall be
20 issued a license under ORS 571.305 to grow or handle hemp on the date
21 on which the grower or handler registration is due for renewal.**

22 “**SECTION 59. (1) The amendments to ORS 571.300, 571.303, 571.305,
23 571.315, 571.318, 571.327, 571.330, 571.333, 571.336 and 571.348 and sections
24 2, 3, 7, 9, 10, 14, 15, 15a and 30, chapter 116, Oregon Laws 2018, by
25 sections 39 through 57 of this 2019 Act become operative on January
26 1, 2020.**

27 “(2) **The Oregon Health Authority, the Oregon Liquor Control
28 Commission and the State Department of Agriculture may take any
29 action before the operative date specified in subsection (1) of this sec-
30 tion that is necessary to enable the authority, the commission and the**

1 department to exercise, on and after the operative date specified in
2 subsection (1) of this section, all of the duties, functions and powers
3 conferred on the authority, the commission and the department by the
4 amendments to ORS 571.300, 571.303, 571.305, 571.315, 571.318, 571.327,
5 571.330, 571.333, 571.336 and 571.348 and sections 2, 3, 7, 9, 10, 14, 15, 15a
6 and 30, chapter 116, Oregon Laws 2018, by sections 39 through 57 of this
7 2019 Act.

8
9 **“CONFORMING AMENDMENTS**

10
11 **“SECTION 60.** ORS 475B.015 is amended to read:

12 “475B.015. As used in ORS 475B.010 to 475B.545:

13 “(1) ‘Cannabinoid’ means any of the chemical compounds that are the
14 active constituents of marijuana.

15 “(2) ‘Cannabinoid concentrate’ means a substance obtained by separating
16 cannabinoids from marijuana by:

17 “(a) A mechanical extraction process;

18 “(b) A chemical extraction process using a nonhydrocarbon-based solvent,
19 such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl al-
20 cohol or ethanol;

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

23 “(d) Any other process identified by the Oregon Liquor Control Commis-
24 sion, in consultation with the Oregon Health Authority, by rule.

25 “(3) ‘Cannabinoid edible’ means food or potable liquid into which a
26 cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or
27 flowers have been incorporated.

28 “(4) ‘Cannabinoid extract’ means a substance obtained by separating
29 cannabinoids from marijuana by:

30 “(a) A chemical extraction process using a hydrocarbon-based solvent,

1 such as butane, hexane or propane;

2 “(b) A chemical extraction process using carbon dioxide, if the process
3 uses high heat or pressure; or

4 “(c) Any other process identified by the commission, in consultation with
5 the authority, by rule.

6 “(5)(a) ‘Cannabinoid product’ means a cannabinoid edible and any other
7 product intended for human consumption or use, including a product in-
8 tended to be applied to the skin or hair, that contains cannabinoids or dried
9 marijuana leaves or flowers.

10 “(b) ‘Cannabinoid product’ does not include:

11 “(A) Usable marijuana by itself;

12 “(B) A cannabinoid concentrate by itself;

13 “(C) A cannabinoid extract by itself; or

14 “(D) [*Industrial*] Hemp, as defined in ORS 571.300.

15 “(6) ‘Consumer’ means a person who purchases, acquires, owns, holds or
16 uses marijuana items other than for the purpose of resale.

17 “(7) ‘Deliver’ means the actual, constructive or attempted transfer from
18 one person to another of a marijuana item, whether or not there is an agency
19 relationship.

20 “(8) ‘Designated primary caregiver’ has the meaning given that term in
21 ORS 475B.791.

22 “(9)(a) ‘Financial consideration’ means value that is given or received ei-
23 ther directly or indirectly through sales, barter, trade, fees, charges, dues,
24 contributions or donations.

25 “(b) ‘Financial consideration’ does not include marijuana, cannabinoid
26 products or cannabinoid concentrates that are delivered within the scope of
27 and in compliance with ORS 475B.301.

28 “(10) ‘Homegrown’ means grown by a person 21 years of age or older for
29 noncommercial purposes.

30 “(11) ‘Household’ means a housing unit and any place in or around a

1 housing unit at which the occupants of the housing unit are producing,
2 processing, possessing or storing homegrown marijuana, cannabinoid pro-
3 ducts, cannabinoid concentrates or cannabinoid extracts.

4 “(12) ‘Housing unit’ means a house, an apartment or a mobile home, or
5 a group of rooms or a single room that is occupied as separate living quar-
6 ters, in which the occupants live and eat separately from any other persons
7 in the building and that has direct access from the outside of the building
8 or through a common hall.

9 “(13) ‘Immature marijuana plant’ means a marijuana plant that is not
10 flowering.

11 “(14) ‘Licensee’ means a person that holds a license issued under ORS
12 475B.070, 475B.090, 475B.100 or 475B.105.

13 “(15) ‘Licensee representative’ means an owner, director, officer, manager,
14 employee, agent or other representative of a licensee, to the extent that the
15 person acts in a representative capacity.

16 “(16)(a) ‘Manufacture’ means producing, propagating, preparing, com-
17 pounding, converting or processing a marijuana item, either directly or in-
18 directly, by extracting from substances of natural origin.

19 “(b) ‘Manufacture’ includes any packaging or repackaging of a marijuana
20 item or the labeling or relabeling of a container containing a marijuana
21 item.

22 “(17)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae, any
23 part of the plant Cannabis family Cannabaceae and marijuana seeds.

24 “(b) ‘Marijuana’ does not include [*industrial*] hemp, as defined in ORS
25 571.300.

26 “(18) ‘Marijuana flowers’ means the flowers of the plant genus Cannabis
27 within the plant family Cannabaceae.

28 “(19) ‘Marijuana items’ means marijuana, cannabinoid products,
29 cannabinoid concentrates and cannabinoid extracts.

30 “(20) ‘Marijuana leaves’ means the leaves of the plant genus Cannabis

1 within the plant family Cannabaceae.

2 “(21) ‘Marijuana processor’ means a person that processes marijuana
3 items in this state.

4 “(22) ‘Marijuana producer’ means a person that produces marijuana in
5 this state.

6 “(23) ‘Marijuana retailer’ means a person that sells marijuana items to a
7 consumer in this state.

8 “(24)(a) ‘Marijuana seeds’ means the seeds of the plant Cannabis family
9 Cannabaceae.

10 “(b) ‘Marijuana seeds’ does not include the seeds of [*industrial*] hemp, as
11 defined in ORS 571.300.

12 “(25) ‘Marijuana wholesaler’ means a person that purchases marijuana
13 items in this state for resale to a person other than a consumer.

14 “(26) ‘Mature marijuana plant’ means a marijuana plant that is not an
15 immature marijuana plant.

16 “(27) ‘Medical grade cannabinoid product, cannabinoid concentrate or
17 cannabinoid extract’ means a cannabinoid product, cannabinoid concentrate
18 or cannabinoid extract that has a concentration of tetrahydrocannabinol that
19 is permitted under ORS 475B.625 in a single serving of the cannabinoid
20 product, cannabinoid concentrate or cannabinoid extract for consumers who
21 hold a valid registry identification card issued under ORS 475B.797.

22 “(28) ‘Medical purpose’ means a purpose related to using usable
23 marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid
24 extracts to mitigate the symptoms or effects of a debilitating medical condi-
25 tion, as defined in ORS 475B.791.

26 “(29) ‘Noncommercial’ means not dependent or conditioned upon the pro-
27 vision or receipt of financial consideration.

28 “(30)(a) ‘Premises’ includes the following areas of a location licensed un-
29 der ORS 475B.010 to 475B.545:

30 “(A) All public and private enclosed areas at the location that are used

1 in the business operated at the location, including offices, kitchens, rest
2 rooms and storerooms;

3 “(B) All areas outside a building that the commission has specifically li-
4 censed for the processing, wholesale sale or retail sale of marijuana items;
5 and

6 “(C) For a location that the commission has specifically licensed for the
7 production of marijuana outside a building, that portion of the location used
8 to produce marijuana.

9 “(b) ‘Premises’ does not include a primary residence.

10 “(31)(a) ‘Processes’ means the processing, compounding or conversion of
11 marijuana into cannabinoid products, cannabinoid concentrates or
12 cannabinoid extracts.

13 “(b) ‘Processes’ does not include packaging or labeling.

14 “(32)(a) ‘Produces’ means the manufacture, planting, cultivation, growing
15 or harvesting of marijuana.

16 “(b) ‘Produces’ does not include:

17 “(A) The drying of marijuana by a marijuana processor, if the marijuana
18 processor is not otherwise producing marijuana; or

19 “(B) The cultivation and growing of an immature marijuana plant by a
20 marijuana processor, marijuana wholesaler or marijuana retailer if the
21 marijuana processor, marijuana wholesaler or marijuana retailer purchased
22 or otherwise received the plant from a licensed marijuana producer.

23 “(33) ‘Propagate’ means to grow immature marijuana plants or to breed
24 or produce marijuana seeds.

25 “(34) ‘Public place’ means a place to which the general public has access
26 and includes, but is not limited to, hallways, lobbies and other parts of
27 apartment houses and hotels not constituting rooms or apartments designed
28 for actual residence, and highways, streets, schools, places of amusement,
29 parks, playgrounds and areas used in connection with public passenger
30 transportation.

1 “(35) ‘Registry identification cardholder’ has the meaning given that term
2 in ORS 475B.791.

3 “(36)(a) ‘Usable marijuana’ means the dried leaves and flowers of
4 marijuana.

5 “(b) ‘Usable marijuana’ does not include:

6 “(A) Marijuana seeds;

7 “(B) The stalks and roots of marijuana; or

8 “(C) Waste material that is a by-product of producing or processing
9 marijuana.

10 “**SECTION 61.** ORS 475B.227, as amended by section 21, chapter 103,
11 Oregon Laws 2018, is amended to read:

12 “475B.227. (1) For purposes of this section:

13 “(a) **‘Consumer’ means a person who purchases, acquires, owns,**
14 **holds or uses marijuana items other than for the purpose of sale.**

15 “(b) ‘Export’ includes placing a marijuana item in any mode of transpor-
16 tation for hire, such as luggage, mail or parcel delivery, even if the trans-
17 portation of the marijuana item is intercepted prior to the marijuana item
18 leaving this state.

19 “[~~(b)~~] (c) ‘Marijuana item’ includes [~~industrial~~] hemp products [~~and com-~~
20 ~~modities~~] that contain more than a 0.3 percent **delta-9** tetrahydrocannabinol
21 **concentration and that are sold to a consumer.**

22 “(2) **A person other than a marijuana retailer that holds a license**
23 **issued under ORS 475B.105 may not sell marijuana items to a con-**
24 **sumer.**

25 “[~~(2)~~] (3) A person may not import marijuana items into this state or ex-
26 port marijuana items from this state.

27 “[~~(3)~~] (4) Except as provided in subsection [~~(4)~~] (5) of this section, a vio-
28 lation of this section is a Class B violation.

29 “[~~(4)~~] (5) A violation of this section is a:

30 “(a) Class A misdemeanor, if the importation or exportation:

1 “(A) Is not for consideration and the person holds a license issued under
2 ORS 475B.070, 475B.090, 475B.100 or 475B.105; or

3 “(B) Concerns an amount of marijuana items that exceeds the applicable
4 maximum amount specified in ORS 475B.337 (1)(a) to (f).

5 “(b) Class C felony, if the importation or exportation:

6 “(A) Is for consideration and the person holds a license issued under ORS
7 475B.070, 475B.090, 475B.100 or 475B.105;

8 “(B) Concerns an amount of marijuana items that exceeds 16 times the
9 applicable maximum amount specified in ORS 475B.337 (1)(a) to (f); or

10 “(C) Concerns a cannabinoid extract that was not purchased from a
11 marijuana retailer that holds a license issued under ORS 475B.105.

12 **“SECTION 62.** ORS 475B.311, as amended by section 22, chapter 116,
13 Oregon Laws 2018, is amended to read:

14 “475B.311. (1) A person other than a marijuana processor that holds a li-
15 cense issued under ORS 475B.090 may not process cannabinoid extracts into
16 a cannabinoid product.

17 “(2) A person may not produce, process or store homemade [*industrial*]
18 hemp extracts.

19 “(3) Violation of this section is a Class A misdemeanor.

20 **“SECTION 63.** ORS 475B.550 is amended to read:

21 “475B.550. As used in ORS 475B.550 to 475B.590:

22 “(1) ‘Cannabinoid’ means any of the chemical compounds that are the
23 active constituents of marijuana.

24 “(2) ‘Cannabinoid concentrate or extract’ means a substance obtained by
25 separating cannabinoids from marijuana by a mechanical, chemical or other
26 process.

27 “(3) ‘Cannabinoid edible’ means food or potable liquid into which a
28 cannabinoid concentrate or extract or the dried leaves or flowers of
29 marijuana have been incorporated.

30 “(4)(a) ‘Cannabinoid product’ means a cannabinoid edible or any other

1 product intended for human consumption or use, including a product in-
2 tended to be applied to a person’s skin or hair, that contains cannabinoids
3 or the dried leaves or flowers of marijuana.

4 “(b) ‘Cannabinoid product’ does not include:

5 “(A) Usable marijuana by itself;

6 “(B) A cannabinoid concentrate or extract by itself; or

7 “(C) [*Industrial*] Hemp, as defined in ORS 571.300.

8 “(5)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae, any
9 part of the plant Cannabis family Cannabaceae and the seeds of the plant
10 Cannabis family Cannabaceae.

11 “(b) ‘Marijuana’ does not include [*industrial*] hemp, as defined in ORS
12 571.300.

13 “(6) ‘Marijuana item’ means marijuana, usable marijuana, a cannabinoid
14 product or a cannabinoid concentrate or extract.

15 “(7) ‘Processing’ means the compounding or conversion of marijuana into
16 cannabinoid products or cannabinoid concentrates or extracts.

17 “(8) ‘Producing’ means:

18 “(a) Planting, cultivating, growing, trimming or harvesting marijuana; or

19 “(b) Drying marijuana leaves and flowers.

20 “(9)(a) ‘Usable marijuana’ means the dried leaves and flowers of
21 marijuana.

22 “(b) ‘Usable marijuana’ does not include:

23 “(A) The seeds, stalks and roots of marijuana; or

24 “(B) Waste material that is a by-product of producing or processing
25 marijuana.

26 “**SECTION 64.** ORS 475B.600 is amended to read:

27 “475B.600. As used in ORS 475B.600 to 475B.655:

28 “(1) ‘Cannabinoid’ means any of the chemical compounds that are the
29 active constituents of marijuana.

30 “(2) ‘Cannabinoid concentrate or extract’ means a substance obtained by

1 separating cannabinoids from marijuana by a mechanical, chemical or other
2 process.

3 “(3) ‘Cannabinoid edible’ means food or potable liquid into which a
4 cannabinoid concentrate or extract or the dried leaves or flowers of
5 marijuana have been incorporated.

6 “(4)(a) ‘Cannabinoid product’ means a cannabinoid edible or any other
7 product intended for human consumption or use, including a product in-
8 tended to be applied to a person’s skin or hair, that contains cannabinoids
9 or the dried leaves or flowers of marijuana.

10 “(b) ‘Cannabinoid product’ does not include:

11 “(A) Usable marijuana by itself;

12 “(B) A cannabinoid concentrate or extract by itself; or

13 “(C) [*Industrial*] Hemp, as defined in ORS 571.300.

14 “(5)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae, any
15 part of the plant Cannabis family Cannabaceae and the seeds of the plant
16 Cannabis family Cannabaceae.

17 “(b) ‘Marijuana’ does not include [*industrial*] hemp, as defined in ORS
18 571.300.

19 “(6) ‘Marijuana item’ means marijuana, usable marijuana, a cannabinoid
20 product or a cannabinoid concentrate or extract.

21 “(7) ‘Processing’ means the compounding or conversion of marijuana into
22 cannabinoid products or cannabinoid concentrates or extracts.

23 “(8) ‘Producing’ means:

24 “(a) Planting, cultivating, growing, trimming or harvesting marijuana; or

25 “(b) Drying marijuana leaves and flowers.

26 “(9)(a) ‘Usable marijuana’ means the dried leaves and flowers of
27 marijuana.

28 “(b) ‘Usable marijuana’ does not include:

29 “(A) The seeds, stalks and roots of marijuana; or

30 “(B) Waste material that is a by-product of producing or processing

1 marijuana.

2 **“SECTION 65.** ORS 475B.791 is amended to read:

3 “475B.791. As used in ORS 475B.785 to 475B.949:

4 “(1) ‘Attending physician’ means a physician licensed under ORS chapter
5 677 who has primary responsibility for the care and treatment of a person
6 diagnosed with a debilitating medical condition.

7 “(2) ‘Cannabinoid’ means any of the chemical compounds that are the
8 active constituents of marijuana.

9 “(3) ‘Cannabinoid concentrate’ means a substance obtained by separating
10 cannabinoids from marijuana by:

11 “(a) A mechanical extraction process;

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

15 “(c) A chemical extraction process using the hydrocarbon-based solvent
16 carbon dioxide, provided that the process does not involve the use of high
17 heat or pressure; or

18 “(d) Any other process identified by the Oregon Health Authority, in
19 consultation with the Oregon Liquor Control Commission, by rule.

20 “(4) ‘Cannabinoid edible’ means food or potable liquid into which a
21 cannabinoid concentrate, cannabinoid extract or dried leaves or flowers of
22 marijuana have been incorporated.

23 “(5) ‘Cannabinoid extract’ means a substance obtained by separating
24 cannabinoids from marijuana by:

25 “(a) A chemical extraction process using a hydrocarbon-based solvent,
26 such as butane, hexane or propane;

27 “(b) A chemical extraction process using the hydrocarbon-based solvent
28 carbon dioxide, if the process uses high heat or pressure; or

29 “(c) Any other process identified by the Oregon Health Authority, in
30 consultation with the Oregon Liquor Control Commission, by rule.

1 “(6) ‘Debilitating medical condition’ means:

2 “(a) Cancer, glaucoma, a degenerative or pervasive neurological condi-
3 tion, positive status for human immunodeficiency virus or acquired immune
4 deficiency syndrome, or a side effect related to the treatment of those med-
5 ical conditions;

6 “(b) A medical condition or treatment for a medical condition that
7 produces, for a specific patient, one or more of the following:

8 “(A) Cachexia;

9 “(B) Severe pain;

10 “(C) Severe nausea;

11 “(D) Seizures, including seizures caused by epilepsy; or

12 “(E) Persistent muscle spasms, including spasms caused by multiple
13 sclerosis;

14 “(c) Post-traumatic stress disorder; or

15 “(d) Any other medical condition or side effect related to the treatment
16 of a medical condition adopted by the Oregon Health Authority by rule or
17 approved by the authority pursuant to a petition filed under ORS 475B.946.

18 “(7)(a) ‘Delivery’ has the meaning given that term in ORS 475.005.

19 “(b) ‘Delivery’ does not include transfer of marijuana by a registry iden-
20 tification cardholder to another registry identification cardholder if no con-
21 sideration is paid for the transfer.

22 “(8)(a) ‘Designated primary caregiver’ means an individual:

23 “(A) Who is 18 years of age or older;

24 “(B) Who has significant responsibility for managing the well-being of a
25 person who has been diagnosed with a debilitating medical condition; and

26 “(C) Who is designated as the person responsible for managing the well-
27 being of a person who has been diagnosed with a debilitating medical con-
28 dition on that person’s application for a registry identification card or in
29 other written notification submitted to the authority.

30 “(b) ‘Designated primary caregiver’ does not include a person’s attending

1 physician.

2 “(9) ‘High heat’ means a temperature exceeding 180 degrees.

3 “(10) ‘Immature marijuana plant’ means a marijuana plant that is not
4 flowering.

5 “(11)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae, any
6 part of the plant Cannabis family Cannabaceae and the seeds of the plant
7 Cannabis family Cannabaceae.

8 “(b) ‘Marijuana’ does not include [*industrial*] hemp, as defined in ORS
9 571.300.

10 “(12) ‘Marijuana grow site’ means a location registered under ORS
11 475B.810 where marijuana is produced for use by a registry identification
12 cardholder.

13 “(13) ‘Marijuana processing site’ means a marijuana processing site reg-
14 istered under ORS 475B.840 or a site for which an applicant has submitted
15 an application for registration under ORS 475B.840.

16 “(14) ‘Mature marijuana plant’ means a marijuana plant that is not an
17 immature marijuana plant.

18 “(15)(a) ‘Medical cannabinoid product’ means a cannabinoid edible and
19 any other product intended for human consumption or use, including a
20 product intended to be applied to a person’s skin or hair, that contains
21 cannabinoids or dried leaves or flowers of marijuana.

22 “(b) ‘Medical cannabinoid product’ does not include:

23 “(A) Usable marijuana by itself;

24 “(B) A cannabinoid concentrate by itself;

25 “(C) A cannabinoid extract by itself; or

26 “(D) [*Industrial*] Hemp, as defined in ORS 571.300.

27 “(16) ‘Medical marijuana dispensary’ means a medical marijuana
28 dispensary registered under ORS 475B.858 or a site for which an applicant
29 has submitted an application for registration under ORS 475B.858.

30 “(17) ‘Medical use of marijuana’ means the production, processing, pos-

1 session, delivery or administration of marijuana, or use of paraphernalia
2 used to administer marijuana, to mitigate the symptoms or effects of a de-
3 bilitating medical condition.

4 “(18) ‘Person designated to produce marijuana by a registry identification
5 cardholder’ means a person designated to produce marijuana by a registry
6 identification cardholder under ORS 475B.810 who produces marijuana for a
7 registry identification cardholder at an address other than the address where
8 the registry identification cardholder resides or at an address where more
9 than 12 mature marijuana plants are produced.

10 “(19) ‘Process’ means the compounding or conversion of marijuana into
11 medical cannabinoid products, cannabinoid concentrates or cannabinoid ex-
12 tracts.

13 “(20) ‘Production’ means:

14 “(a) Planting, cultivating, growing, trimming or harvesting marijuana; or

15 “(b) Drying marijuana leaves or flowers.

16 “(21) ‘Registry identification card’ means a document issued by the
17 Oregon Health Authority under ORS 475B.797 that identifies a person au-
18 thorized to engage in the medical use of marijuana and, if the person has a
19 designated primary caregiver under ORS 475B.804, the person’s designated
20 primary caregiver.

21 “(22) ‘Registry identification cardholder’ means a person to whom a reg-
22 istry identification card has been issued under ORS 475B.797.

23 “(23)(a) ‘Usable marijuana’ means the dried leaves and flowers of
24 marijuana.

25 “(b) ‘Usable marijuana’ does not include:

26 “(A) The seeds, stalks and roots of marijuana; or

27 “(B) Waste material that is a by-product of producing marijuana.

28 “(24) ‘Written documentation’ means a statement signed by the attending
29 physician of a person diagnosed with a debilitating medical condition or
30 copies of the person’s relevant medical records.

1 **“SECTION 66.** Section 19, chapter 103, Oregon Laws 2018, is amended to
2 read:

3 **“ Sec. 19.** (1) As used in this section, ‘*industrial*’ hemp’ has the meaning
4 given that term in ORS 571.300.

5 **“(2)** [*An industrial hemp*] **A product or commodity that is produced from**
6 **hemp and is** offered for sale by a marijuana retailer that holds a license
7 issued under ORS 475B.105 must carry a label that clearly identifies whether
8 the product or commodity is derived from hemp or marijuana.

9 **“(3)** The Oregon Liquor Control Commission may inspect the premises of
10 a marijuana retailer that holds a license issued under ORS 475B.105 to en-
11 sure compliance with this section.

12 **“SECTION 67.** (1) **The amendments to ORS 475B.015, 475B.227,**
13 **475B.311, 475B.550, 475B.600 and 475B.791 and section 19, chapter 103,**
14 **Oregon Laws 2018, by sections 60 to 66 of this 2019 Act become opera-**
15 **tive on January 1, 2020.**

16 **“(2)** **The Oregon Health Authority and the Oregon Liquor Control**
17 **Commission may take any action before the operative date specified**
18 **in subsection (1) of this section that is necessary to enable the au-**
19 **thority and the commission to exercise, on and after the operative**
20 **date specified in subsection (1) of this section, all of the duties, func-**
21 **tions and powers conferred on the authority and the commission by**
22 **the amendments to ORS 475B.015, 475B.227, 475B.311, 475B.550, 475B.600**
23 **and 475B.791 and section 19, chapter 103, Oregon Laws 2018, by sections**
24 **60 to 66 of this 2019 Act.**

25

26

“REPEALS

27

28 **“SECTION 68.** **ORS 571.339 and section 20, chapter 103, Oregon Laws**
29 **2018, are repealed.**

30

