

Corrected

HB 4051 A STAFF MEASURE SUMMARY
House Committee On Agriculture and Land Use

Carrier: Rep. Smith DB

Action Date: 02/10/20

Action: Do pass with amendments and rescind subsequent referral to Ways and Means. (Printed A-Eng.)

Vote: 7-0-0-0

Yeas: 7 - Boshart Davis, Clem, Helm, McLain, Post, Smith DB, Williams

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

Prepared By: Beth Reiley, LPRO Analyst

Meeting Dates: 2/5, 2/10

WHAT THE MEASURE DOES:

States a public interest in the Oregon hemp industry and the purposes of the 2020 Act. Directs the Oregon Department of Agriculture (ODA) to: monitor the implementation of the Oregon Hemp Commission's (OHC) goals and budget; promote cooperation among the OHC, commodity commissions, the Oregon Beef Council, and Oregon Wheat Commission; carry out assigned organizational procedures including the appointment and removal of OHC members; review OHC budgets submitted to the ODA Director (Director); and adopt rules to carry out this 2020 Act. Requires that ODA review OHC plans and projects for promotion, advertising, research, and information dissemination. Directs the Director to appoint seven temporary OHC members as specified for OHC rule adoption, appoint OHC commissioners as specified and in accordance with adopted rules, and consider appointment recommendations by commodity commissions, producers, and producer associations. Specifies requirements related to commission member, officer, and employee payment, and meeting locations. Lists OHC duties. Requires OHC to: adopt a budget, obtain budget approval, submit financial statements, and receive, deposit, invest, expend, and budget moneys in the same manner as a commodity commission. Authorizes OHC to accept grants, donations, or contributions from any source. Authorizes the Department of Administrative Services (DAS) to assist, upon request by OHC, with the purchase, acquisition, or provision of services, equipment, and materials, and establishes a reimbursement process. Authorizes ODA to charge and collect an assessment or fee from OHC to reimburse ODA for mandatory supervisory or administrative functions. Allows OHC to develop hemp-related intellectual property, and establishes provisions for contracts, moneys, ownership, management, disposal, and use of that property. Authorizes OHC to establish certain assessments, levies, and collections by rule or as specified. Requires that certain handlers or processors report hemp transfers or sales on OHC forms. Requires that persons who pay or collect hemp assessments maintain accurate records, and authorizes OHC to inspect, audit, and subpoena records to determine the accuracy of assessments paid or due to OHC. Establishes penalties and process for delinquent payments or failed transmittal of assessment moneys. Requires OHC to adopt an annual budget as specified, subject to public hearing and notice requirements, and requiring final certification and approval from the Director. Stipulates Act applies to hemp produced, processed, delivered, transferred, or sold on or after January 1, 2021.

ISSUES DISCUSSED:

- Legislative history of hemp in Oregon
- Role of Hemp Commission in advancing industry
- Growth of hemp industry in Oregon

EFFECT OF AMENDMENT:

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Modifies makeup of Oregon Hemp Commission (OHC) to be comprised of seven temporary members. Extends experience requirement for members from two years to three years of experience related to hemp. Authorizes OHC to conduct and fund research to control diseases, pests, and weeds while supporting coexistence between hemp and other agricultural crops including marijuana. Reduces the maximum assessment on a unit basis from 2 percent to 1.5 percent of the industry average unit price or the dollar value on the raw commodity. Clarifies Act applies to hemp produced, processed, delivered, transferred, or sold on or after January 1, 2021.

BACKGROUND:

Industrial hemp is an agricultural product that is subject to regulation by the Oregon Department of Agriculture (ODA) and refers to cannabis varieties that are grown for fiber, seed, oil, or as a cover crop. The legislature has passed a series of laws related to industrial hemp over the past decade. In 2009, the Legislative Assembly enacted Senate Bill 676, which authorized the production, possession, and commerce of industrial hemp commodities in Oregon. Oregon's first industrial hemp grower was licensed by ODA in early 2015. In 2016, House Bill 4060 updated and clarified provisions related to the regulation of industrial hemp and authorized ODA to adopt rules to govern quality, packaging, and labeling of industrial hemp seed. In 2017, Senate Bill 1015 provided for processing and sales of industrial hemp concentrates and extracts. In 2018, House Bill 4089 established the Oregon Industrial Hemp Agricultural Pilot Program, an agricultural hemp seed certificate program, the Industrial Hemp Fund, and further modified industrial hemp statutes related to testing, regulation, personal possession, and tetrahydrocannabinol concentration limits.

House Bill 4051-A would create a framework for the Oregon Hemp Commission.