

House Bill 4158

Sponsored by Representative WILSON (at the request of Association of Oregon Counties) (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs State Department of Agriculture to develop Oregon Hemp Plan for establishment of Oregon Hemp Program for commercial production and sale of hemp. Changes term "industrial hemp" to "hemp." Requires Oregon Liquor Control Commission to track commercial cannabis shipments through electronic tracking system. Defines "commercial cannabis shipment."

Becomes operative on date on which United States Department of Agriculture approves Oregon Hemp Plan.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to cannabis; creating new provisions; amending ORS 161.067, 475B.015, 475B.227, 475B.253,
3 475B.254, 475B.311, 475B.354, 475B.550, 475B.600, 475B.791, 561.144, 571.260, 571.263, 571.269,
4 571.272, 571.275, 571.278, 571.281, 571.285, 571.288, 571.291, 571.294, 571.302, 571.327, 571.330,
5 571.336, 571.337, 571.345 and 571.348; repealing ORS 571.266, 571.333, 571.339 and 571.341; and
6 declaring an emergency.

7 **Be It Enacted by the People of the State of Oregon:**

OREGON HEMP PLAN

8
9
10
11 **SECTION 1.** Section 2 of this 2020 Act is added to and made a part of ORS 571.260 to
12 571.348.

13 **SECTION 2.** (1) The State Department of Agriculture shall develop an Oregon Hemp Plan
14 for the establishment of an Oregon Hemp Program. At a minimum, the plan must certify
15 that the department has the resources to administer and enforce ORS 571.260 to 571.348, and
16 must establish:

17 (a) **Qualifications for receiving a license to grow or handle hemp;**

18 (b) **Standards for growers and handlers of hemp and procedures for suspending or re-**
19 **voking the license of growers or handlers who violate those standards;**

20 (c) **Procedures for identifying land where hemp is produced;**

21 (d) **Procedures for sampling and testing hemp for tetrahydrocannabinol concentration**
22 **levels;**

23 (e) **Procedures for disposing of identified marijuana plants;**

24 (f) **Standards and processes for ensuring compliance with ORS 571.260 to 571.348; and**

25 (g) **Processes for sharing information with state and federal agencies as required by state**
26 **and federal law, rules and regulations.**

27 (2)(a) **In developing the Oregon Hemp Plan under subsection (1) of this section and**
28 **adopting rules to implement ORS 571.260 to 571.348, the department shall, subject to para-**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 graph (b) of this subsection, develop the plan and adopt the rules in accordance with any
2 applicable federal law or regulation.

3 (b) The department may not adopt a rule that imposes more stringent standards on
4 persons licensed under ORS 571.281 than any standards required by applicable federal law or
5 regulation unless the department first appoints, and receives recommendations from, an
6 advisory committee convened pursuant to ORS 183.333.

7
8 OREGON HEMP PROGRAM

9
10 SECTION 3. Sections 4 to 6 of this 2020 Act are added to and made a part of ORS 571.260
11 to 571.348.

12 SECTION 4. For the purpose of requesting a state or nationwide criminal records check
13 under ORS 181A.195, the State Department of Agriculture may require the fingerprints of
14 any individual listed on an application submitted under ORS 571.260 to 571.348, including the
15 fingerprints of:

16 (1) If the applicant is a limited partnership, each partner of the limited partnership;

17 (2) If the applicant is a limited liability company, each member of the limited liability
18 company;

19 (3) If the applicant is a corporation, each director and officer of the corporation;

20 (4) Any individual who holds a financial interest of 10 percent or more in the applicant;
21 and

22 (5) Any individual who is a partner, member, director or officer of a legal entity with a
23 financial interest in the applicant.

24 SECTION 5. In carrying out ORS 571.260 to 571.348, the State Department of Agriculture
25 may:

26 (1) Regulate the production, processing, transportation, delivery, sale and purchase of
27 hemp;

28 (2) Issue, renew, suspend, revoke or refuse to issue or renew licenses for the production,
29 processing or sale of hemp, and other licenses related to the consumption of hemp, and al-
30 low, in the department's discretion, the transfer of a license between persons;

31 (3) Adopt, amend or repeal rules as necessary to carry out ORS 571.260 to 571.348, in-
32 cluding rules that the department considers necessary to protect the public health and
33 safety; and

34 (4) Exercise all powers incidental, convenient and necessary to enable the department to
35 administer ORS 571.260 to 571.348, and any other laws of this state that charge the depart-
36 ment with a duty, function or power related to hemp, including, but not limited to:

37 (a) Issuing subpoenas;

38 (b) Compelling the attendance of witnesses;

39 (c) Administering oaths;

40 (d) Certifying official acts;

41 (e) Taking depositions as provided by law;

42 (f) Compelling the production of books, payrolls, accounts, papers, records, documents
43 and testimony; and

44 (g) Establishing fees, in addition to the fees described in ORS 571.281, reasonably calcu-
45 lated not to exceed the cost of the activity for which the fee is charged.

1 **SECTION 6.** The State Department of Agriculture shall adopt rules to define the term
 2 **“hemp.”** Rules adopted under this section must comply with the Agriculture Improvement
 3 **Act of 2018 (P.L. 115-334) and subsequent federal law, and with any federal regulations**
 4 **adopted pursuant to the Agriculture Improvement Act of 2018 and subsequent federal law.**

5 **SECTION 7.** ORS 571.260 is amended to read:

6 571.260. ORS 571.260 to 571.348 shall be known and may be cited as the [*Oregon Industrial Hemp*
 7 *Agricultural Pilot Program and Research Act*] **Oregon Hemp Act.**

8 **SECTION 8.** ORS 571.263 is amended to read:

9 571.263. The State Department of Agriculture shall administer [*an Oregon Industrial Hemp Ag-*
 10 *ricultural Pilot Program*] **the Oregon Hemp Program** for the purpose of [*studying the growth, cul-*
 11 *tivation and marketing of industrial hemp in this state*] **the commercial production and sale of**
 12 **hemp.** In carrying out the program, the department:

13 (1) Shall administer ORS 571.260 to 571.348;

14 (2) **Shall develop a state hemp plan to regulate hemp as an agricultural commodity in**
 15 **compliance with the Agriculture Improvement Act of 2018 (P.L. 115-334) and subsequent**
 16 **federal law;**

17 [(2)] (3) Shall adopt by rule any **enforcement, licensing, registration,** record keeping and re-
 18 porting requirements necessary to administer the program **in compliance with the Agriculture**
 19 **Improvement Act of 2018 (P.L. 115-334) and subsequent federal law;**

20 [(3)] (4) May purchase, possess, seize or dispose of [*industrial*] hemp **or** products or commodities
 21 **produced from hemp** as the department deems necessary to enforce and ensure compliance with
 22 ORS 571.260 to 571.348 or department rules **or orders** relating to ORS 571.260 to 571.348; and

23 [(4)] (5) May exercise any other power or perform any other function necessary to administer
 24 the program.

25 **SECTION 9.** ORS 571.269 is amended to read:

26 571.269. As used in ORS 571.260 to 571.348:

27 (1) “Agricultural hemp seed” means Cannabis seed:

28 (a) That is sold to or intended to be sold to [*registered*] **licensed** growers for planting; or

29 (b) That remains in an unprocessed or partially processed condition that is capable of
 30 germination.

31 (2) “Crop” means [*industrial*] hemp grown under a single [*registration*] **license.**

32 (3) “Grower” means a person, joint venture or cooperative that produces [*industrial*] hemp.

33 (4) “Handler” means a person, joint venture or cooperative that receives [*industrial*] hemp for
 34 processing into commodities, products or agricultural hemp seed.

35 [(5) “Industrial hemp”:]

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

40 (5)(a) **“Hemp” has the meaning given that term in rules adopted by the State Department**
 41 **of Agriculture.**

42 [(b) *Means any Cannabis seed.*]

43 [(A) *That is part of a crop;*]

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

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

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

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

4 [(c)] (b) [Does not mean industrial] **“Hemp” includes** hemp commodities [or] **and** products.

5 (6) “[Industrial] Hemp concentrate” means [an industrial] a hemp product obtained by separating
6 cannabinoids from [industrial] hemp by:

7 (a) A mechanical process;

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

10 (c) A chemical extraction process using carbon dioxide, provided that the process does not in-
11 volve the use of high heat or pressure; or

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

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

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

17 (b) A chemical extraction process using carbon dioxide, if the process uses high heat or pres-
18 sure; or

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

20 **SECTION 10.** ORS 571.272 is amended to read:

21 571.272. (1) [Industrial] Hemp is an agricultural product that is subject to regulation by the
22 State Department of Agriculture.

23 (2) For purposes of ORS chapter 616, the department may not consider [industrial] hemp or [in-
24 dustrial] hemp commodities or products to be an adulterant.

25 **SECTION 11.** ORS 571.275 is amended to read:

26 571.275. (1) The Oregon Liquor Control Commission may purchase, possess, seize or dispose of
27 [industrial] hemp products or commodities located on a premises licensed under ORS 475B.070,
28 475B.090, 475B.100, 475B.105 or 475B.560 or other area under the control of the premises licensee
29 as the commission deems necessary to enforce and ensure compliance with:

30 (a) ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655 or rules adopted by
31 the commission relating to ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655;
32 or

33 (b) Any provision in ORS 571.260 to 571.348 or in rules adopted by the commission or State
34 Department of Agriculture under ORS 571.260 to 571.348 that makes a requirement, restriction or
35 other provision of ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655 applica-
36 ble to [industrial] hemp.

37 (2) If the commission purchases, possesses, seizes or disposes of [industrial] hemp products or
38 commodities under this section to enforce or ensure compliance with a provision of ORS 571.260 to
39 571.348 or rule adopted by the department under ORS 571.260 to 571.348 that makes a requirement,
40 restriction or other provision of ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to
41 475B.655 applicable to [industrial] hemp, the commission shall notify the department of the commis-
42 sion action as soon as practicable.

43 **SECTION 12.** ORS 571.278 is amended to read:

44 571.278. There is established in the State Treasury, separate and distinct from the General Fund,
45 the [Industrial] Hemp Fund. Interest earned by the fund shall be credited to the fund. The fund shall

1 consist of all moneys credited to or deposited in the fund. Moneys in the fund are continuously ap-
 2 propriated to the State Department of Agriculture for the purposes of implementing, administering
 3 and enforcing ORS 571.260 to 571.348.

4 **SECTION 13.** ORS 571.281 is amended to read:

5 571.281. (1) To grow or handle [*industrial*] hemp, a person must be [*registered with*] **licensed by**
 6 the State Department of Agriculture as a grower or handler.

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

10 (b) Notwithstanding paragraph (a) of this subsection:

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

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

18 (3) An applicant for [*registration*] **a license** under this section must submit to the department,
 19 in a form and manner prescribed by the department, the following information:

20 (a) The name and address of the applicant;

21 (b) The name and address of the [*industrial*] hemp operation of the applicant; and

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

23 (4) **An applicant for a license, or renewal of a license, to grow hemp under this section**
 24 **shall provide to the State Department of Agriculture, in a form and manner prescribed by**
 25 **the department, proof of a legal source of water as evidenced by:**

26 (a) **A copy of a water right permit, certificate or other water use authorization from the**
 27 **Water Resources Department;**

28 (b) **A statement that water is supplied from a public or private water provider, along with**
 29 **the name and contact information of the water provider; or**

30 (c) **Proof from the Water Resources Department that the water to be used for production**
 31 **is from a source that does not require a water right.**

32 (5) **An applicant for a license, or renewal of a license, to grow hemp under this section**
 33 **shall provide to the State Department of Agriculture, in a form and manner prescribed by**
 34 **the department, information on the intended commodity or product for which the applicant**
 35 **primarily intends to grow the hemp.**

36 [(4)] (6) **Registration A license issued** under this section is valid for [*a one-year term*] **one**
 37 **year**, beginning on January 1[. *A grower, handler or agricultural hemp seed producer may renew a*
 38 *registration under this section*], **and may be renewed** in a form and manner prescribed by the de-
 39 partment.

40 [(5)] (7) A registration **A license issued** under this section is a personal privilege and is not
 41 transferable, **except as provided by the department by rule adopted under section 5 of this 2020**
 42 **Act.**

43 [(6)] (8) A grower or handler [*registered*] **licensed** under this section [*must*] **shall** keep records
 44 as required by the department by rule. Upon not less than three days' notice, the department may
 45 subject the records to inspection or audit during normal business hours. The department may make

1 an inspection or audit for the purpose of ensuring compliance with:

2 (a) A provision of ORS 571.260 to 571.348;

3 (b) A rule adopted under a provision of ORS 571.260 to 571.348; or

4 (c) An order issued by the department pursuant to a provision of ORS 571.260 to 571.348 or a
5 rule adopted under a provision of ORS 571.260 to 571.348.

6 [(7)] (9) In addition to any inspection conducted pursuant to ORS 561.275, the department may
7 inspect any crop during the crop's growth phase and take a representative composite sample for
8 field analysis. If a crop contains an average tetrahydrocannabinol concentration exceeding [0.3 per-
9 cent on a dry weight basis or a tetrahydrocannabinol concentration exceeding] the concentration al-
10 lowed under federal law, [whichever is greater,] the department may detain, seize or embargo the
11 crop as provided under ORS 561.605 to 561.620[, subject to any process established under ORS
12 571.345].

13 [(8)] (10)(a) The department may charge growers, handlers and agricultural hemp seed producers
14 **the following fees:**

15 (A) Application fees[, registration];

16 (B) License and license renewal [of registration] fees[.];

17 (C) Administrative change fees; and

18 (D) Fees for other services.

19 (b) Fees charged under this subsection must be in amounts reasonably calculated by the
20 department to pay the cost of administering ORS 571.260 to 571.348.

21 (c) Moneys from fees charged under this subsection shall be deposited in the [Industrial] Hemp
22 Fund established under ORS 571.278.

23 [(9)] (11) The department may adopt rules establishing public health and safety standards and
24 industry best practices for growers and handlers [registered] licensed under this section.

25 **SECTION 14.** ORS 571.285 is amended to read:

26 571.285. [(1)] Subject to the provisions of ORS chapter 183, the State Department of Agriculture
27 may revoke the [registration] license of a grower, handler or agricultural hemp seed producer or
28 refuse to [register] license or renew the [registration] license if a grower, handler or agricultural
29 hemp seed producer violates:

30 [(a)] (1) A provision of ORS 571.260 to 571.348;

31 [(b)] (2) A rule adopted under a provision of ORS 571.260 to 571.348;

32 [(c)] (3) An order issued by the department pursuant to a provision of ORS 571.260 to 571.348
33 or a rule adopted under a provision of ORS 571.260 to 571.348; or

34 [(d)] (4) Any statutory law or department rule related to agricultural activities other than [in-
35 dustrial] hemp operations.

36 [(2) The department may not discipline a grower, handler or agricultural hemp seed producer un-
37 der this section on the basis that possessing, delivering and manufacturing industrial hemp are pro-
38 hibited by federal law.]

39 **SECTION 15.** ORS 571.288 is amended to read:

40 571.288. A grower [registered] licensed under ORS 571.281 may use any propagation method,
41 including planting seeds or starts or the use of clones or cuttings, to produce [industrial] hemp.

42 **SECTION 16.** ORS 571.291 is amended to read:

43 571.291. A grower licensed under ORS 571.281 shall provide the State Department of Agricul-
44 ture, in a time, form and manner prescribed by the department, with an accurate description and
45 global positioning system coordinates of the property on which the grower's crop is or will be lo-

1 cated.

2 **SECTION 17.** ORS 571.294 is amended to read:

3 571.294. The State Department of Agriculture may charge growers and handlers [*registered*] **li-**
4 **censed** under ORS 571.281 fees reasonably calculated by the department to pay the cost of sampling
5 or testing [*industrial*] hemp or [*industrial*] hemp commodities or products under ORS 571.330 [*and*
6 *571.333*]. Moneys from fees charged under this section shall be deposited in the [*Industrial*] Hemp
7 Fund established under ORS 571.278.

8 **SECTION 18.** ORS 571.302 is amended to read:

9 571.302. (1) For purposes of ORS 633.511 to 633.750, agricultural hemp seed is an agricultural
10 seed or a flower seed, as those terms are defined in ORS 633.511.

11 (2) The Director of Agriculture, or the director's agent, and the Dean of the College of Agri-
12 cultural Sciences of Oregon State University, or the dean's agent, shall establish a program for the
13 labeling and certification of agricultural hemp seed. For purposes of the program:

14 (a) The director and the dean shall perform their respective duties under ORS 633.511 to 633.750
15 with respect to agricultural hemp seed in the same manner that the director and dean perform their
16 respective duties under ORS 633.511 to 633.750 with respect to other agricultural seed or flower
17 seed, including but not limited to those duties related to labeling, testing and certifying seeds; and

18 (b) The director and the dean shall exercise their respective functions and powers under ORS
19 633.511 to 633.750 with respect to agricultural hemp seed in the same manner that the director and
20 dean exercise their respective functions and powers under ORS 633.511 to 633.750 with respect to
21 other agricultural seed or flower seed, including but not limited to inspecting and sampling seeds
22 and making rules and regulations under ORS 633.680.

23 (3) Notwithstanding subsections (1) and (2) of this section, if the director in consultation with
24 the dean determines that a specific provision of ORS 633.511 to 633.750, or a specific rule or regu-
25 lation made under ORS 633.511 to 633.750, that applies to other agricultural seed or flower seed is
26 inadequate or not suitable for the regulation of agricultural hemp seed, the director may by rule
27 exempt agricultural hemp seed from the provision, rule or regulation and make rules providing more
28 adequate or suitable regulation of agricultural hemp seed.

29 (4)(a) The director and the dean shall collaborate with growers [*registered*] **licensed** under ORS
30 571.281 in performing their respective duties and exercising their respective functions and powers
31 under ORS 633.511 to 633.750 with respect to agricultural hemp seed.

32 (b) The director and the dean may collaborate with growers [*registered*] **licensed** under ORS
33 571.281 and other stakeholders to develop a heritage agricultural hemp seed for this state.

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

37 (6) A grower [*registered*] **licensed** under ORS 571.281 is not required, for purposes related to
38 growing [*industrial*] hemp, to use an agricultural hemp seed variety certified under the program
39 described in this section.

40 (7) The State Department of Agriculture may establish by rule waivers to, or exemptions from,
41 tests that would otherwise be conducted to determine a crop's average tetrahydrocannabinol con-
42 centration for crops planted with agricultural hemp seed varieties certified pursuant to the program
43 described in this section.

44 **SECTION 19.** ORS 571.327 is amended to read:

45 571.327. (1) An agricultural hemp seed producer [*registered*] **licensed** under ORS 571.281:

1 (a) [*Must*] **Shall** sell agricultural hemp seed in a manner that complies with any standard es-
2 tablished by the Director of Agriculture under ORS 633.511 to 633.750; and

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

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

8 (3) The State Department of Agriculture shall make available to growers [*registered*] **licensed**
9 under ORS 571.281 information that identifies agricultural hemp seed producers [*registered*] **licensed**
10 under ORS 571.281 from whom the growers may purchase agricultural hemp seed.

11 **SECTION 20.** ORS 571.330 is amended to read:

12 571.330. (1) For purposes of this section, “consumption” means to ingest, inhale or topically ap-
13 ply to the skin or hair.

14 (2)(a) A laboratory licensed by the Oregon Liquor Control Commission under ORS 475B.560 and
15 accredited by the Oregon Health Authority pursuant to ORS 475B.565 may test [*industrial*] hemp and
16 [*industrial*] hemp commodities and products produced or processed by a grower, handler or agricul-
17 tural hemp seed producer [*registered*] **licensed** under ORS 571.281.

18 (b) An [*accredited independent testing*] **otherwise qualified** laboratory that has been approved
19 by the authority or the State Department of Agriculture may test [*industrial*] hemp and [*industrial*]
20 hemp commodities and products produced or processed by a grower, handler or agricultural hemp
21 seed producer [*registered*] **licensed** under ORS 571.281.

22 (3) A grower or handler may not sell or transfer [*an industrial*] **a** hemp commodity or product
23 that is intended for human consumption unless the commodity or product is tested by a laboratory
24 described in subsection (2) of this section to ensure that the commodity or product meets the re-
25 quirements adopted by the Oregon Health Authority under ORS 475B.555 (1)(a) and (b) and (2) for
26 testing marijuana items.

27 (4) For purposes of this section, the department shall adopt rules:

28 (a) Establishing protocols for the testing of [*industrial*] hemp commodities and products; and

29 (b) Establishing procedures for determining batch sizes and for sampling [*industrial*] hemp com-
30 modities and products.

31 (5) This section does not apply to:

32 (a) Agricultural hemp seed;

33 (b) Seeds of the plant genus *Cannabis* within the plant family *Cannabaceae* that are incapable
34 of germination;

35 (c) Products derived from seeds described in paragraph (b) of this subsection; or

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

37 **SECTION 21.** ORS 571.336 is amended to read:

38 571.336. (1) As used in this section, “licensee,” “marijuana,” “marijuana item” and “marijuana
39 processor” have the meanings given those terms in ORS 475B.015.

40 (2) A grower [*registered*] **licensed** under ORS 571.281 may deliver [*industrial*] hemp, and a han-
41 dler [*registered*] **licensed** under ORS 571.281 may deliver [*industrial*] hemp concentrates and [*indus-*
42 *trial*] hemp extracts, to a marijuana processor that holds a license issued under ORS 475B.090, if:

43 (a) The grower or handler and the marijuana processor are registered **under this section** with
44 the Oregon Liquor Control Commission, in a form and manner prescribed by the commission, for the
45 purpose of processing [*industrial*] hemp, [*industrial*] hemp concentrates and [*industrial*] hemp ex-

1 tracts;

2 (b) The marijuana processor is provided with the results of any test conducted on the
 3 [industrial] hemp, [industrial] hemp concentrate or [industrial] hemp extract pursuant to ORS 571.260
 4 to 571.348 as a condition of the marijuana processor’s receiving the [industrial] hemp, [industrial]
 5 hemp concentrate or [industrial] hemp extract;

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

8 (d) The [industrial] hemp, [industrial] hemp concentrate or [industrial] hemp extract is tracked
 9 using the system developed and maintained under ORS 475B.177 when the [industrial] hemp, [indus-
 10 trial] hemp concentrate or [industrial] hemp extract is delivered to the premises of the marijuana
 11 processor; and

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

14 (3) [Industrial] Hemp, [industrial] hemp concentrates and [industrial] hemp extracts may be pro-
 15 cessed by a marijuana processor registered under this section into any [industrial] hemp commodity
 16 or product or used by a marijuana processor registered under this section to supplement the pro-
 17 cessing of any marijuana item.

18 (4) [An industrial] A hemp concentrate, [industrial] hemp extract, [industrial] hemp commodity
 19 or product or marijuana item processed pursuant to this section may be delivered by a marijuana
 20 processor registered under this section to a licensee as described in ORS 475B.206, provided that the
 21 [industrial] hemp concentrate, [industrial] hemp extract, [industrial] hemp commodity or product or
 22 marijuana item meets any applicable requirement for marijuana items set forth in ORS 475B.010 to
 23 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted under ORS 475B.010 to
 24 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655.

25 (5) The commission may impose an annual fee reasonably calculated to not exceed the cost of
 26 administering this section on growers registered under this section, handlers registered under this
 27 section and marijuana processors registered under this section. Fees collected under this section
 28 shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.296.
 29 Moneys deposited in the fund pursuant to this subsection are continuously appropriated to the
 30 commission for the purpose of administering this section.

31 **SECTION 22.** ORS 571.337 is amended to read:

32 571.337. (1) As used in this section:

33 (a) “Consumption” has the meaning given that term in ORS 571.330.

34 (b) “Processor” means a person licensed under ORS 475B.090.

35 (c) “Retailer” means a person licensed under ORS 475B.105.

36 (d) “Wholesaler” means a person licensed under ORS 475B.100.

37 (2) [Except as provided in ORS 571.341,] A processor, retailer or wholesaler may purchase, re-
 38 ceive, transfer, sell or transport [industrial] hemp, or [an industrial] a hemp commodity or product
 39 that contains cannabinoids and is intended for human consumption, only if:

40 (a) The processor, retailer or wholesaler received the hemp, commodity or product from a
 41 grower or handler [registered] **licensed** under ORS 571.281 or a processor;

42 (b) The grower, handler or processor [under] **described in** paragraph (a) of this subsection is
 43 registered by the Oregon Liquor Control Commission [as provided] under ORS 571.336; and

44 (c) The hemp, commodity or product meets the requirements for marijuana items under ORS
 45 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted by the

1 commission.

2 (3) A grower, handler or processor registered *[as described]* under ORS 571.336 [(2)(a)] shall enter hemp, commodity or product that contains cannabinoids, is intended for human consumption and is intended for transfer, sale or transport to a processor, retailer or wholesaler licensed under ORS 475B.010 to 475B.545 into the tracking system described in ORS 475B.177 before the hemp, commodity or product is transferred to a laboratory described in ORS 571.330 (2) for testing of a type described under ORS 475B.555. The commission shall continue to track the hemp, commodity or product entered into the system under this subsection when the hemp, commodity or product is transferred, sold or transported to a premises licensed under ORS 475B.010 to 475B.545, or to other areas under the control of the premises licensee.

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

13 (5) The commission shall adopt rules regarding the activities of processors, retailers, wholesalers and laboratories under this section.

15 **SECTION 23.** ORS 571.345 is amended to read:

16 571.345. The State Department of Agriculture may by rule or order establish a process providing for the remediation of a violation of ORS 571.330 [*or 571.333*] that is committed by a grower or handler [*registered*] **licensed** under ORS 571.281 and is not committed intentionally.

19 **SECTION 24.** ORS 571.348 is amended to read:

20 571.348. (1) Subject to the provisions of ORS chapter 183, the State Department of Agriculture may impose a civil penalty not to exceed \$2,500 on a person for violating:

22 (a) A provision of ORS 571.260 to 571.348;

23 (b) A rule adopted under a provision of ORS 571.260 to 571.348; or

24 (c) An order issued by the department pursuant to a provision of ORS 571.260 to 571.348 or a rule adopted under a provision of ORS 571.260 to 571.348.

26 [(2) *The department may not discipline a person under this section on the basis that possessing, delivering and manufacturing industrial hemp are prohibited by federal law.*]

28 [(3)] (2) All moneys collected by the department under this section shall be deposited in the General Fund in the State Treasury to the credit of the [*Industrial*] Hemp Fund established under ORS 571.278.

31 **SECTION 25.** ORS 571.266, 571.333, 571.339 and 571.341 are repealed.

32 **SECTION 26.** Sections 4 to 6 of this 2020 Act, the amendments to ORS 571.260, 571.263, 571.269, 571.272, 571.275, 571.278, 571.281, 571.285, 571.288, 571.291, 571.294, 571.302, 571.327, 571.330, 571.336, 571.337, 571.345 and 571.348 by sections 7 to 24 of this 2020 Act and the repeal of ORS 571.266, 571.333, 571.339 and 571.341 by section 25 of this 2020 Act apply to hemp produced, processed, delivered, transferred or sold on or after the operative date specified in section 28 of this 2020 Act.

38 **SECTION 27.** A grower or handler registered under ORS 571.281 before the operative date specified in section 28 of this 2020 Act that meets the requirements for renewal of registration under ORS 571.281 as in effect before the operative date specified in section 28 of this 2020 Act shall be issued a license under ORS 571.281 to grow or handle hemp and, if applicable, to produce agricultural hemp seed, on the date on which the grower or handler registration is due for renewal.

44 **SECTION 28.** (1) Sections 4 to 6 and 27 of this 2020 Act, the amendments to ORS 571.260, 571.263, 571.269, 571.272, 571.275, 571.278, 571.281, 571.285, 571.288, 571.291, 571.294, 571.302,

1 571.327, 571.330, 571.336, 571.337, 571.345 and 571.348 by sections 7 to 24 of this 2020 Act and
 2 the repeal of ORS 571.266, 571.333, 571.339 and 571.341 by section 25 of this 2020 Act become
 3 operative on the date on which the United States Department of Agriculture approves the
 4 Oregon Hemp Plan described in section 2 of this 2020 Act.

5 (2) The State Department of Agriculture shall notify the interim committees of the Leg-
 6 islative Assembly related to the judiciary and the Legislative Counsel upon receipt of the
 7 approval described in subsection (1) of this section.

8
 9 **COMMERCIAL TRANSPORT OF CANNABIS**

10
 11 **SECTION 29.** (1) As used in this section, “commercial cannabis shipment” means the
 12 delivery or transfer of any cannabis, cannabis commodity or cannabis product in excess of
 13 the personal allowance limits provided in ORS 475B.301, 475B.831 and 475B.834.

14 (2) Every commercial cannabis shipment that leaves a premises licensed under ORS
 15 475B.010 to 475B.545, 475B.785 to 475B.949 or 571.260 to 571.348 must have an identification
 16 tracking tag affixed to the shipment in the manner required by the Oregon Liquor Control
 17 Commission by rule.

18 (3) The commission shall develop a system for the electronic tracking of commercial
 19 cannabis shipments. The system must provide for a universal method of identification
 20 tracking tags for commercial cannabis shipments.

21 (4) The commission shall maintain a telephone hotline for law enforcement to verify, at
 22 any time, that a commercial cannabis shipment has been entered into the system described
 23 in this section.

24 (5)(a) Law enforcement shall seize any commercial cannabis shipment in violation of this
 25 section, or in violation of rules adopted under this section, provide to the person from whom
 26 the commercial cannabis shipment was seized a notice on a form provided by the commission
 27 and notify the commission of the seizure.

28 (b) The person from whom the commercial cannabis shipment was seized may, within 21
 29 days of receiving the notice described in this subsection, petition the commission to review
 30 whether the commercial cannabis shipment was in violation of this section or rules adopted
 31 under this section. If the commission finds that the commercial cannabis shipment was not
 32 in violation as described in this paragraph, the commission shall order the commercial
 33 cannabis shipment returned to the person from whom it was seized.

34 (c) If a petition described in paragraph (b) of this subsection is not filed, or the com-
 35 mission finds that a commercial cannabis shipment for which review was petitioned was in
 36 violation of this section or rules adopted under this section, the commission shall order the
 37 commercial cannabis shipment destroyed.

38 (6)(a) The commission may take disciplinary action against any person licensed by the
 39 commission under ORS 475B.010 to 475B.545 or registered by the Oregon Health Authority
 40 under ORS 475B.785 to 475B.949 for any commercial cannabis shipment that violates this
 41 section or rules adopted under this section.

42 (b) The commission shall notify the State Department of Agriculture if a person licensed
 43 by the department under ORS 571.260 to 571.348 was involved with a commercial cannabis
 44 shipment that violates this section or the rules adopted under this section. The department
 45 may take disciplinary action against a person described in this paragraph if the person is

1 responsible for a commercial cannabis shipment that violates this section, or rules adopted
 2 by the commission under this section.

3 **SECTION 30.** (1) Section 29 of this 2020 Act becomes operative on the date on which the
 4 United States Department of Agriculture approves the Oregon Hemp Plan described in sec-
 5 tion 2 of this 2020 Act.

6 (2) The State Department of Agriculture shall notify the interim committees of the Leg-
 7 islative Assembly related to the judiciary and the Legislative Counsel upon receipt of the
 8 approval described in subsection (1) of this section.

9
 10 **CANNABIS OFFENSES**

11
 12 **SECTION 31.** ORS 161.067 is amended to read:

13 161.067. (1)(a) When the same conduct or criminal episode violates two or more statutory pro-
 14 visions and each provision requires proof of an element that the others do not, there are as many
 15 separately punishable offenses as there are separate statutory violations.

16 (b) Notwithstanding paragraph (a) of this subsection, when the same conduct or criminal
 17 episode violates the following statutory provisions, the two determinations of guilt merge
 18 into a single conviction and are not separately punishable:

19 (A) Unlawful delivery of a marijuana item under ORS 475B.346 based on conduct consti-
 20 tuting an attempted delivery; and

21 (B) Unlawful possession of a marijuana item under ORS 475B.337 or 475B.341.

22 (2) When the same conduct or criminal episode, though violating only one statutory provision
 23 involves two or more victims, there are as many separately punishable offenses as there are victims.
 24 However, two or more persons owning joint interests in real or personal property shall be consid-
 25 ered a single victim for purposes of determining the number of separately punishable offenses if the
 26 property is the subject of one of the following crimes:

- 27 (a) Theft as defined in ORS 164.015.
- 28 (b) Unauthorized use of a vehicle as defined in ORS 164.135.
- 29 (c) Criminal possession of rented or leased personal property as defined in ORS 164.140.
- 30 (d) Criminal possession of a rented or leased motor vehicle as defined in ORS 164.138.
- 31 (e) Burglary as defined in ORS 164.215 or 164.225.
- 32 (f) Criminal trespass as defined in ORS 164.243, 164.245, 164.255, 164.265 or 164.278.
- 33 (g) Arson and related offenses as defined in ORS 164.315, 164.325 or 164.335.
- 34 (h) Forgery and related offenses as defined in ORS 165.002 to 165.070.

35 (3) When the same conduct or criminal episode violates only one statutory provision and in-
 36 volves only one victim, but nevertheless involves repeated violations of the same statutory provision
 37 against the same victim, there are as many separately punishable offenses as there are violations,
 38 except that each violation, to be separately punishable under this subsection, must be separated
 39 from other such violations by a sufficient pause in the defendant's criminal conduct to afford the
 40 defendant an opportunity to renounce the criminal intent. Each method of engaging in oral or anal
 41 sexual intercourse as defined in ORS 163.305, and each method of engaging in unlawful sexual pen-
 42 etration as defined in ORS 163.408 and 163.411 shall constitute separate violations of their respec-
 43 tive statutory provisions for purposes of determining the number of statutory violations.

44 **SECTION 32.** ORS 475B.227 is amended to read:

45 475B.227. (1) For purposes of this section,[:]

1 [(a)] “export” includes placing a marijuana item in any mode of transportation for hire, such as
 2 luggage, mail or parcel delivery, even if the transportation of the marijuana item is intercepted prior
 3 to the marijuana item leaving this state.

4 [(b) “*Marijuana item*” includes industrial hemp products and commodities that contain more than
 5 0.3 percent tetrahydrocannabinol.]

6 (2) **Except as provided in subsection (3) of this section**, a person may not import marijuana
 7 items into this state or export marijuana items from this state.

8 (3) **This section does not apply to the import or export of hemp products or commodities**
 9 **to or from this state that complies with:**

10 (a) **ORS 571.260 to 571.348 and rules adopted under, or orders issued pursuant to, ORS**
 11 **571.260 to 571.348;**

12 (b) **Section 29 of this 2020 Act and rules adopted under, or orders issued pursuant to,**
 13 **section 29 of this 2020 Act; or**

14 (c) **The Agriculture Improvement Act of 2018 (P.L. 115-334).**

15 [(3)] (4) Except as provided in subsection [(4)] (5) of this section, a violation of this section is
 16 a Class B violation.

17 [(4)] (5) A violation of this section is a:

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

19 (A) Is not for consideration and the person holds a license issued under ORS 475B.070, 475B.090,
 20 475B.100, [or] 475B.105 **or 571.281**; or

21 (B) Concerns an amount of marijuana items that exceeds the applicable maximum amount spec-
 22 ified in ORS 475B.337 (1)[(a) to (f)].

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

24 (A) Is for consideration and the person holds a license issued under ORS 475B.070, 475B.090,
 25 475B.100, [or] 475B.105 **or 571.281**; or

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

28 [(C) Concerns a cannabinoid extract that was not purchased from a marijuana retailer that holds
 29 a license issued under ORS 475B.105.]

30 **SECTION 33.** ORS 475B.311 is amended to read:

31 475B.311. (1) A person other than a marijuana processor that holds a license issued under ORS
 32 475B.090 **or a handler licensed under ORS 571.281 to process hemp** may not process cannabinoid
 33 extracts into a cannabinoid product.

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

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

36 **SECTION 34.** ORS 475B.354 is amended to read:

37 475B.354. (1) Except as provided in subsection (3) of this section, a felony under ORS 475B.337
 38 or 475B.341 shall be classified as crime category 1 of the sentencing guidelines grid of the Oregon
 39 Criminal Justice Commission.

40 (2) Except as provided in subsection (3) of this section, a felony under ORS 475B.346 or 475B.349
 41 shall be classified as crime category 4 of the sentencing guidelines grid of the Oregon Criminal
 42 Justice Commission.

43 (3) Subject to subsection (4) of this section, a felony under ORS 475B.337, 475B.341, 475B.346 or
 44 475B.349 shall be classified as crime category 8 of the sentencing guidelines grid of the Oregon
 45 Criminal Justice Commission if the violation is a commercial marijuana offense. A violation is a

1 commercial marijuana offense for purposes of this subsection if the violation was committed in
 2 conjunction with at least three of the following factors:

3 (a) The offender *[delivered a marijuana item for consideration]* **was in possession of an amount**
 4 **of marijuana items that exceeds 16 times the applicable maximum amount specified in ORS**
 5 **475B.301;**

6 (b) The offender was in possession of *[\$300]* **\$1,000** or more in cash;

7 (c) The offender was unlawfully in possession of a firearm or other weapon as described in ORS
 8 166.270 (2), the offender used, attempted to use or threatened to use a deadly weapon or dangerous
 9 weapon, as those terms are defined in ORS 161.015, or the offender was in possession of a firearm
 10 or other deadly weapon or dangerous weapon for the purpose of using the deadly weapon or dan-
 11 gerous weapon;

12 (d) The offender was in possession of *[materials being used for the packaging of marijuana items,*
 13 *such as]* scales*[, wrapping or foil, other than a material used to contain the marijuana item that is the*
 14 *subject of the violation];*

15 (e) The offender was in possession of marijuana item transaction records or customer lists;

16 (f) The offender was in possession of stolen property;

17 (g) The offender was in possession of manufacturing paraphernalia specifically designed for
 18 producing marijuana, such as recipes, *[precursor chemicals, laboratory equipment,]* lighting equip-
 19 ment, ventilating equipment or power generation equipment;

20 (h) The offender modified structures by painting, wiring, plumbing or lighting the structures to
 21 facilitate the offense;

22 (i) The offender used public lands to manufacture the marijuana item; or

23 (j) The offender constructed fortifications or took security measures that had the potential to
 24 injure persons.

25 (4) To prove that a violation is a commercial marijuana offense for purposes of subsection (3)
 26 of this section, the state must plead in the accusatory instrument at least three of the factors de-
 27 scribed in subsection (3) of this section. The state has the burden of proving each factor beyond a
 28 reasonable doubt.

29 **SECTION 35.** (1) **The amendments to ORS 161.067, 475B.227, 475B.311 and 475B.354 by**
 30 **sections 31 to 34 of this 2020 Act become operative on the date on which the United States**
 31 **Department of Agriculture approves the Oregon Hemp Plan described in section 2 of this 2020**
 32 **Act.**

33 (2) **The State Department of Agriculture shall notify the interim committees of the Leg-**
 34 **islative Assembly related to the judiciary and the Legislative Counsel upon receipt of the**
 35 **approval described in subsection (1) of this section.**

36
 37 **CONFORMING AMENDMENTS**

38
 39 **SECTION 36.** ORS 475B.015 is amended to read:

40 475B.015. As used in ORS 475B.010 to 475B.545:

41 (1) "Cannabinoid" means any of the chemical compounds that are the active constituents derived
 42 from marijuana.

43 (2) "Cannabinoid concentrate" means a substance obtained by separating cannabinoids from
 44 marijuana by:

45 (a) A mechanical extraction process;

1 (b) A chemical extraction process using a nonhydrocarbon-based solvent, such as water, vege-
 2 table glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;

3 (c) A chemical extraction process using carbon dioxide, provided that the process does not in-
 4 volve the use of high heat or pressure; or

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

7 (3) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate,
 8 cannabinoid extract or dried marijuana leaves or flowers have been incorporated.

9 (4) “Cannabinoid extract” means a substance obtained by separating cannabinoids from
 10 marijuana by:

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

13 (b) A chemical extraction process using carbon dioxide, if the process uses high heat or pres-
 14 sure; or

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

16 (5)(a) “Cannabinoid product” means a cannabinoid edible and any other product intended for
 17 human consumption or use, including a product intended to be applied to the skin or hair, that
 18 contains cannabinoids or dried marijuana leaves or flowers.

19 (b) “Cannabinoid product” does not include:

20 (A) Usable marijuana by itself;

21 (B) A cannabinoid concentrate by itself;

22 (C) A cannabinoid extract by itself; or

23 (D) [*Industrial*] Hemp, as defined in ORS 571.269.

24 (6) “Consumer” means a person who purchases, acquires, owns, holds or uses marijuana items
 25 other than for the purpose of resale.

26 (7) “Deliver” means the actual, constructive or attempted transfer from one person to another
 27 of a marijuana item, whether or not there is an agency relationship.

28 (8) “Designated primary caregiver” has the meaning given that term in ORS 475B.791.

29 (9)(a) “Financial consideration” means value that is given or received either directly or indi-
 30 rectly through sales, barter, trade, fees, charges, dues, contributions or donations.

31 (b) “Financial consideration” does not include marijuana, cannabinoid products or cannabinoid
 32 concentrates that are delivered within the scope of and in compliance with ORS 475B.301.

33 (10) “Homegrown” means grown by a person 21 years of age or older for noncommercial pur-
 34 poses.

35 (11) “Household” means a housing unit and any place in or around a housing unit at which the
 36 occupants of the housing unit are producing, processing, possessing or storing homegrown
 37 marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

38 (12) “Housing unit” means a house, an apartment or a mobile home, or a group of rooms or a
 39 single room that is occupied as separate living quarters, in which the occupants live and eat sepa-
 40 rately from any other persons in the building and that has direct access from the outside of the
 41 building or through a common hall.

42 (13) “Immature marijuana plant” means a marijuana plant that is not flowering.

43 (14) “Licensee” means a person that holds a license issued under ORS 475B.070, 475B.090,
 44 475B.100 or 475B.105.

45 (15) “Licensee representative” means an owner, director, officer, manager, employee, agent or

1 other representative of a licensee, to the extent that the person acts in a representative capacity.

2 (16)(a) “Manufacture” means producing, propagating, preparing, compounding, converting or
 3 processing a marijuana item, either directly or indirectly, by extracting from substances of natural
 4 origin.

5 (b) “Manufacture” includes any packaging or repackaging of a marijuana item or the labeling
 6 or relabeling of a container containing a marijuana item.

7 (17)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant
 8 Cannabis family Cannabaceae and marijuana seeds.

9 (b) “Marijuana” does not include:

10 (A) [*Industrial*] Hemp, as defined in ORS 571.269; or

11 (B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one
 12 or more cannabinoids, that are approved by the United States Food and Drug Administration and
 13 dispensed by a pharmacy, as defined in ORS 689.005.

14 (18) “Marijuana flowers” means the flowers of the plant genus Cannabis within the plant family
 15 Cannabaceae.

16 (19) “Marijuana items” means:

17 (a) Marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts[.]; and

18 (b) **Hemp, hemp products and hemp commodities that have a tetrahydrocannabinol con-**
 19 **centration that exceeds 0.3 percent on a dry weight basis and that are transferred to a per-**
 20 **son who is not:**

21 (A) **Licensed under ORS 571.260 to 571.348;**

22 (B) **Licensed under the Agriculture Improvement Act of 2018 (P.L. 115-334) and subse-**
 23 **quent federal law;**

24 (C) **Licensed under the laws of a state or territory of the United States that has adopted**
 25 **a plan pursuant to the Agriculture Improvement Act of 2018 (P.L. 115-334) or subsequent**
 26 **federal law; or**

27 (D) **Otherwise qualified to receive hemp, hemp products or hemp commodities under the**
 28 **laws of a country other than the United States.**

29 (20) “Marijuana leaves” means the leaves of the plant genus Cannabis within the plant family
 30 Cannabaceae.

31 (21) “Marijuana processor” means a person that processes marijuana items in this state.

32 (22) “Marijuana producer” means a person that produces marijuana in this state.

33 (23) “Marijuana retailer” means a person that sells marijuana items to a consumer in this state.

34 (24)(a) “Marijuana seeds” means the seeds of the plant Cannabis family Cannabaceae.

35 (b) “Marijuana seeds” does not include the seeds of [*industrial*] hemp, as defined in ORS 571.269.

36 (25) “Marijuana wholesaler” means a person that purchases marijuana items in this state for
 37 resale to a person other than a consumer.

38 (26) “Mature marijuana plant” means a marijuana plant that is not an immature marijuana
 39 plant.

40 (27) “Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid extract”
 41 means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a concen-
 42 tration of tetrahydrocannabinol that is permitted under ORS 475B.625 in a single serving of the
 43 cannabinoid product, cannabinoid concentrate or cannabinoid extract for consumers who hold a
 44 valid registry identification card issued under ORS 475B.797.

45 (28) “Medical purpose” means a purpose related to using usable marijuana, cannabinoid pro-

1 ducts, cannabinoid concentrates or cannabinoid extracts to mitigate the symptoms or effects of a
 2 debilitating medical condition, as defined in ORS 475B.791.

3 (29) “Noncommercial” means not dependent or conditioned upon the provision or receipt of fi-
 4 nancial consideration.

5 (30)(a) “Premises” includes the following areas of a location licensed under ORS 475B.010 to
 6 475B.545:

7 (A) All public and private enclosed areas at the location that are used in the business operated
 8 at the location, including offices, kitchens, rest rooms and storerooms;

9 (B) All areas outside a building that the commission has specifically licensed for the processing,
 10 wholesale sale or retail sale of marijuana items; and

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

13 (b) “Premises” does not include a primary residence.

14 (31)(a) “Processes” means the processing, compounding or conversion of marijuana into
 15 cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

16 (b) “Processes” does not include packaging or labeling.

17 (32)(a) “Produces” means the manufacture, planting, cultivation, growing or harvesting of
 18 marijuana.

19 (b) “Produces” does not include:

20 (A) The drying of marijuana by a marijuana processor, if the marijuana processor is not other-
 21 wise producing marijuana; or

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

25 (33) “Propagate” means to grow immature marijuana plants or to breed or produce marijuana
 26 seeds.

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

31 (35) “Registry identification cardholder” has the meaning given that term in ORS 475B.791.

32 (36)(a) “Usable marijuana” means the dried leaves and flowers of marijuana.

33 (b) “Usable marijuana” does not include:

34 (A) Marijuana seeds;

35 (B) The stalks and roots of marijuana; or

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

37 **SECTION 37.** ORS 475B.253 is amended to read:

38 475B.253. (1) As used in this section, “[*industrial*] hemp” has the meaning given that term in
 39 ORS 571.269.

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

43 (3) The Oregon Liquor Control Commission may inspect the premises of a marijuana retailer
 44 that holds a license issued under ORS 475B.105 to ensure compliance with this section.

45 **SECTION 38.** ORS 475B.254 is amended to read:

1 475B.254. (1) As used in this section:

2 (a) "Consumer" means a person who purchases, acquires, owns, holds or uses marijuana items
3 other than for the purpose of resale.

4 (b) "Marijuana item" includes [*industrial*] hemp products and commodities that contain more
5 than 0.3 percent tetrahydrocannabinol.

6 (2) A person other than a marijuana retailer that holds a license issued under ORS 475B.105
7 may not sell marijuana items to a consumer.

8 **SECTION 39.** ORS 475B.550 is amended to read:

9 475B.550. As used in ORS 475B.550 to 475B.590:

10 (1) "Cannabinoid" means any of the chemical compounds that are the active constituents of
11 marijuana.

12 (2) "Cannabinoid concentrate or extract" means a substance obtained by separating
13 cannabinoids from marijuana by a mechanical, chemical or other process.

14 (3) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate or
15 extract or the dried leaves or flowers of marijuana have been incorporated.

16 (4)(a) "Cannabinoid product" means a cannabinoid edible or any other product intended for hu-
17 man consumption or use, including a product intended to be applied to a person's skin or hair, that
18 contains cannabinoids or the dried leaves or flowers of marijuana.

19 (b) "Cannabinoid product" does not include:

20 (A) Usable marijuana by itself;

21 (B) A cannabinoid concentrate or extract by itself; or

22 (C) [*Industrial*] Hemp, as defined in ORS 571.269.

23 (5)(a) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant
24 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

25 (b) "Marijuana" does not include:

26 (A) [*Industrial*] Hemp, as defined in ORS 571.269; or

27 (B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one
28 or more cannabinoids, that are approved by the United States Food and Drug Administration and
29 dispensed by a pharmacy, as defined in ORS 689.005.

30 (6) "Marijuana item" means:

31 (a) Marijuana, usable marijuana, a cannabinoid product or a cannabinoid concentrate or
32 extract[.]; **and**

33 (b) **Hemp, hemp products and hemp commodities that have a tetrahydrocannabinol con-**
34 **centration that exceeds 0.3 percent on a dry weight basis and that are transferred to a per-**
35 **son who is not:**

36 (A) **Licensed under ORS 571.260 to 571.348;**

37 (B) **Licensed under the Agriculture Improvement Act of 2018 (P.L. 115-334) and subse-**
38 **quent federal law;**

39 (C) **Licensed under the laws of a state or territory of the United States that has adopted**
40 **a plan pursuant to the Agriculture Improvement Act of 2018 (P.L. 115-334) or subsequent**
41 **federal law; or**

42 (D) **Otherwise qualified to receive hemp, hemp products or hemp commodities under the**
43 **laws of a country other than the United States.**

44 (7) "Processing" means the compounding or conversion of marijuana into cannabinoid products
45 or cannabinoid concentrates or extracts.

1 (8) "Producing" means:

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

3 (b) Drying marijuana leaves and flowers.

4 (9)(a) "Usable marijuana" means the dried leaves and flowers of marijuana.

5 (b) "Usable marijuana" does not include:

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

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

8 **SECTION 40.** ORS 475B.600 is amended to read:

9 475B.600. As used in ORS 475B.600 to 475B.655:

10 (1) "Cannabinoid" means any of the chemical compounds that are the active constituents of
11 marijuana.

12 (2) "Cannabinoid concentrate or extract" means a substance obtained by separating
13 cannabinoids from marijuana by a mechanical, chemical or other process.

14 (3) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate or
15 extract or the dried leaves or flowers of marijuana have been incorporated.

16 (4)(a) "Cannabinoid product" means a cannabinoid edible or any other product intended for hu-
17 man consumption or use, including a product intended to be applied to a person's skin or hair, that
18 contains cannabinoids or the dried leaves or flowers of marijuana.

19 (b) "Cannabinoid product" does not include:

20 (A) Usable marijuana by itself;

21 (B) A cannabinoid concentrate or extract by itself; or

22 (C) [*Industrial*] Hemp, as defined in ORS 571.269.

23 (5)(a) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant
24 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

25 (b) "Marijuana" does not include:

26 (A) [*Industrial*] Hemp, as defined in ORS 571.269; or

27 (B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one
28 or more cannabinoids, that are approved by the United States Food and Drug Administration and
29 dispensed by a pharmacy, as defined in ORS 689.005.

30 (6) "Marijuana item" means:

31 (a) Marijuana, usable marijuana, a cannabinoid product or a cannabinoid concentrate or
32 extract[.]; **and**

33 (b) **Hemp, hemp products and hemp commodities that have a tetrahydrocannabinol con-**
34 **centration that exceeds 0.3 percent on a dry weight basis and that are transferred to a per-**
35 **son who is not:**

36 (A) **Licensed under ORS 571.260 to 571.348;**

37 (B) **Licensed under the Agriculture Improvement Act of 2018 (P.L. 115-334) and subse-**
38 **quent federal law;**

39 (C) **Licensed under the laws of a state or territory of the United States that has adopted**
40 **a plan pursuant to the Agriculture Improvement Act of 2018 (P.L. 115-334) or subsequent**
41 **federal law; or**

42 (D) **Otherwise qualified to receive hemp, hemp products or hemp commodities under the**
43 **laws of a country other than the United States.**

44 (7) "Processing" means the compounding or conversion of marijuana into cannabinoid products
45 or cannabinoid concentrates or extracts.

- 1 (8) "Producing" means:
- 2 (a) Planting, cultivating, growing, trimming or harvesting marijuana; or
- 3 (b) Drying marijuana leaves and flowers.
- 4 (9)(a) "Usable marijuana" means the dried leaves and flowers of marijuana.
- 5 (b) "Usable marijuana" does not include:
- 6 (A) The seeds, stalks and roots of marijuana; or
- 7 (B) Waste material that is a by-product of producing or processing marijuana.
- 8 **SECTION 41.** ORS 475B.791 is amended to read:
- 9 475B.791. As used in ORS 475B.785 to 475B.949:
- 10 (1) "Attending physician" means a physician licensed under ORS chapter 677 who has primary
- 11 responsibility for the care and treatment of a person diagnosed with a debilitating medical condition.
- 12 (2) "Cannabinoid" means any of the chemical compounds that are the active constituents of
- 13 marijuana.
- 14 (3) "Cannabinoid concentrate" means a substance obtained by separating cannabinoids from
- 15 marijuana by:
- 16 (a) A mechanical extraction process;
- 17 (b) A chemical extraction process using a nonhydrocarbon-based solvent, such as vegetable
- 18 glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;
- 19 (c) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, provided
- 20 that the process does not involve the use of high heat or pressure; or
- 21 (d) Any other process identified by the Oregon Health Authority, in consultation with the
- 22 Oregon Liquor Control Commission, by rule.
- 23 (4) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate,
- 24 cannabinoid extract or dried leaves or flowers of marijuana have been incorporated.
- 25 (5) "Cannabinoid extract" means a substance obtained by separating cannabinoids from
- 26 marijuana by:
- 27 (a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane
- 28 or propane;
- 29 (b) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, if the
- 30 process uses high heat or pressure; or
- 31 (c) Any other process identified by the Oregon Health Authority, in consultation with the
- 32 Oregon Liquor Control Commission, by rule.
- 33 (6) "Debilitating medical condition" means:
- 34 (a) Cancer, glaucoma, a degenerative or pervasive neurological condition, positive status for
- 35 human immunodeficiency virus or acquired immune deficiency syndrome, or a side effect related to
- 36 the treatment of those medical conditions;
- 37 (b) A medical condition or treatment for a medical condition that produces, for a specific pa-
- 38 tient, one or more of the following:
- 39 (A) Cachexia;
- 40 (B) Severe pain;
- 41 (C) Severe nausea;
- 42 (D) Seizures, including seizures caused by epilepsy; or
- 43 (E) Persistent muscle spasms, including spasms caused by multiple sclerosis;
- 44 (c) Post-traumatic stress disorder; or
- 45 (d) Any other medical condition or side effect related to the treatment of a medical condition

1 adopted by the Oregon Health Authority by rule or approved by the authority pursuant to a petition
 2 filed under ORS 475B.946.

3 (7)(a) “Delivery” has the meaning given that term in ORS 475.005.

4 (b) “Delivery” does not include transfer of marijuana by a registry identification cardholder to
 5 another registry identification cardholder if no consideration is paid for the transfer.

6 (8)(a) “Designated primary caregiver” means an individual:

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

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

10 (C) Who is designated as the person responsible for managing the well-being of a person who
 11 has been diagnosed with a debilitating medical condition on that person’s application for a registry
 12 identification card or in other written notification submitted to the authority.

13 (b) “Designated primary caregiver” does not include a person’s attending physician.

14 (9) “High heat” means a temperature exceeding 180 degrees.

15 (10) “Immature marijuana plant” means a marijuana plant that is not flowering.

16 (11)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant
 17 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

18 (b) “Marijuana” does not include:

19 (A) [Industrial] Hemp, as defined in ORS 571.269; or

20 (B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one
 21 or more cannabinoids, that are approved by the United States Food and Drug Administration and
 22 dispensed by a pharmacy, as defined in ORS 689.005.

23 (12) “Marijuana grow site” means a location registered under ORS 475B.810 where marijuana
 24 is produced for use by a registry identification cardholder.

25 (13) “Marijuana processing site” means a marijuana processing site registered under ORS
 26 475B.840 or a site for which an applicant has submitted an application for registration under ORS
 27 475B.840.

28 (14) “Mature marijuana plant” means a marijuana plant that is not an immature marijuana
 29 plant.

30 (15)(a) “Medical cannabinoid product” means a cannabinoid edible and any other product in-
 31 tended for human consumption or use, including a product intended to be applied to a person’s skin
 32 or hair, that contains cannabinoids or dried leaves or flowers of marijuana.

33 (b) “Medical cannabinoid product” does not include:

34 (A) Usable marijuana by itself;

35 (B) A cannabinoid concentrate by itself;

36 (C) A cannabinoid extract by itself; or

37 (D) [Industrial] Hemp, as defined in ORS 571.269.

38 (16) “Medical marijuana dispensary” means a medical marijuana dispensary registered under
 39 ORS 475B.858 or a site for which an applicant has submitted an application for registration under
 40 ORS 475B.858.

41 (17) “Medical use of marijuana” means the production, processing, possession, delivery or ad-
 42 ministration of marijuana, or use of paraphernalia used to administer marijuana, to mitigate the
 43 symptoms or effects of a debilitating medical condition.

44 (18) “Person designated to produce marijuana by a registry identification cardholder” means a
 45 person designated to produce marijuana by a registry identification cardholder under ORS 475B.810

1 who produces marijuana for a registry identification cardholder at an address other than the address
 2 where the registry identification cardholder resides or at an address where more than 12 mature
 3 marijuana plants are produced.

4 (19) "Process" means the compounding or conversion of marijuana into medical cannabinoid
 5 products, cannabinoid concentrates or cannabinoid extracts.

6 (20) "Production" means:

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

8 (b) Drying marijuana leaves or flowers.

9 (21) "Registry identification card" means a document issued by the Oregon Health Authority
 10 under ORS 475B.797 that identifies a person authorized to engage in the medical use of marijuana
 11 and, if the person has a designated primary caregiver under ORS 475B.804, the person's designated
 12 primary caregiver.

13 (22) "Registry identification cardholder" means a person to whom a registry identification card
 14 has been issued under ORS 475B.797.

15 (23)(a) "Usable marijuana" means the dried leaves and flowers of marijuana.

16 (b) "Usable marijuana" does not include:

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

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

19 (24) "Written documentation" means a statement signed by the attending physician of a person
 20 diagnosed with a debilitating medical condition or copies of the person's relevant medical records.

21 **SECTION 42.** ORS 561.144 is amended to read:

22 561.144. (1) The State Treasurer shall establish a Department of Agriculture Service Fund, which
 23 shall be a trust fund separate and distinct from the General Fund. The State Department of Agri-
 24 culture shall deposit all license and service fees paid to it under the provisions of the statutes
 25 identified in subsection (3) of this section in the Department of Agriculture Service Fund. The State
 26 Treasurer is the custodian of this trust fund, which shall be deposited by the treasurer in such de-
 27 positories as are authorized to receive deposits of the General Fund, and which may be invested by
 28 the treasurer in the same manner as authorized by ORS 293.701 to 293.857.

29 (2) Interest received on deposits credited to the Department of Agriculture Service Fund shall
 30 accrue to and become a part of the Department of Agriculture Service Fund.

31 (3) The license and service fees subject to this section are those described in ORS 561.400,
 32 561.740, 570.710, 571.057, 571.063, 571.145, [571.281,] 586.270, 596.030, 596.100, 596.311, 599.235,
 33 599.269, 599.406, 599.610, 601.040, 602.090, 603.025, 603.075, 616.706, 618.115, 618.136, 619.031, 621.072,
 34 621.166, 621.266, 621.297, 621.335, 621.730, 622.080, 625.180, 628.240, 632.211, 632.600, 632.720, 632.730,
 35 632.741, 632.940, 632.945, 633.015, 633.029, 633.318, 633.362, 633.462, 633.465, 633.680, 633.700, 633.720,
 36 634.016, 634.116, 634.122, 634.126, 634.132, 634.136, 634.212 and 635.030.

37 **SECTION 43.** (1) **The amendments to ORS 475B.015, 475B.253, 475B.254, 475B.550, 475B.600**
 38 **and 475B.791 by sections 36 to 41 of this 2020 Act become operative on the date on which the**
 39 **United States Department of Agriculture approves the Oregon Hemp Plan described in sec-**
 40 **tion 2 of this 2020 Act.**

41 (2) **The State Department of Agriculture shall notify the interim committees of the Leg-**
 42 **islative Assembly related to the judiciary and the Legislative Counsel receipt of the approval**
 43 **described in subsection (1) of this section.**

44
 45 **UNIT CAPTIONS**

1 SECTION 44. The unit captions used in this 2020 Act are provided only for the conven-
2 ience of the reader and do not become part of the statutory law of this state or express any
3 legislative intent in the enactment of this 2020 Act.

4

5

EFFECTIVE DATE

6

7 SECTION 45. This 2020 Act being necessary for the immediate preservation of the public
8 peace, health and safety, an emergency is declared to exist, and this 2020 Act takes effect
9 on its passage.

10
