

HB 2671 -1 STAFF MEASURE SUMMARY

House Committee On Agriculture and Natural Resources

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Meeting Dates: 1/28, 4/13

WHAT THE MEASURE DOES:

Directs Oregon Department of Agriculture (ODA) to issue research license to qualified applicant. Allows licensed researcher to collect samples of industrial hemp crops that exceed tetrahydrocannabinol limit in order to perform studies to better understand and improve industrial hemp crop biochemistry. Allows ODA to refuse to issue or renew a research license or revoke a research license if the applicant or researcher violates any statutory law or department rule related to industrial hemp operations or other agricultural activities. Authorizes ODA to charge research license fees to cover costs of administering the industrial hemp statutes and authorizes rule adoption. Takes effect on 91st day following adjournment sine die.

REVENUE: Has minimal revenue impact

FISCAL: May have fiscal impact, but no statement yet issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Replaces the measure. Requires Oregon Department of Agriculture (ODA) to adopt rules to require that a hemp grower or handler accurately report to ODA: 1) that the grower does not intend to plant an industrial hemp crop at the location for which a registration is issued; 2) any loss of all or part of industrial hemp crop. Authorizes ODA to adopt rules that must include a timeline for reporting and other rules necessary to carry out the section. Requires the grower to destroy or remediate the industrial hemp crop and provide documentation to ODA of destruction or remediation if the industrial hemp crop is found to contain an average tetrahydrocannabinol concentration exceeding 0.3 percent on a dry weight basis or exceeding the concentration allowed under federal law, whichever is greater. Authorizes ODA to adopt rules to carry out the section, including rules to specify acceptable documentation and timelines for providing documentation to ODA. Authorizes ODA to adopt rules to establish corrective action plan if a person plants an industrial hemp crop or commits a violation of the Oregon Industrial Hemp Agricultural Pilot Program and Research Act prior to applying for a grower registration. Authorizes ODA to impose civil penalty not exceeding \$10,000 on a person if it determines that a registered grower's industrial hemp crop contains an average tetrahydrocannabinol concentration of at least 10 percent on a dry weight basis. Specifies that the provisions of the amendments become operative on January 1, 2022. Authorizes ODA and Oregon Liquor Control Commission (Commission) to take action prior to the operative date that is necessary to enable Commission and ODA to exercise its authority on or after the date. Takes effect on 91st day following adjournment sine die.

REVENUE: May have revenue impact, but no statement yet issued.

FISCAL: May have fiscal impact, but no statement yet issued.

BACKGROUND:

Industrial hemp is an agricultural product regulated by the Oregon Department of Agriculture (ODA). It refers to plant varieties of *Cannabis sativa* that contain a limited amount of tetrahydrocannabinol (THC) that are grown for fiber, seed, oil, or as a cover crop. A series of laws related to industrial hemp have been enacted in Oregon over the past decade as the industry has evolved: Senate Bill 676 (2009) authorized hemp production and possession, and commerce in industrial hemp commodities; House Bill 4060 (2016) updated and clarified regulatory

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provisions and authorized ODA to adopt rules concerning quality, packaging, and labeling of industrial hemp seed; Senate Bill 1015 (2017) provided for the processing and sale of industrial hemp concentrates and extracts; and House Bill 4089 (2018) established the Oregon Industrial Hemp Agricultural Pilot Program and an agricultural hemp seed certificate program, and further refined statutes governing testing, regulation, personal possession, and limits on THC concentration. ORS 571.341 defined the limit on THC content in industrial hemp products to be no more than 0.3 percent for sale to consumers.

House Bill 2671 would allow the Oregon Department of Agriculture to issue research license that would enable the collection of industrial hemp samples that exceed the tetrahydrocannabinol limit for studies to better understand and improve crop biochemistry.