

A-Engrossed
House Bill 2281

Ordered by the House April 16
Including House Amendments dated April 16

Sponsored by Representative CLEM; Representatives EVANS, HELM, SMITH DB (Presession 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.

Directs State Department of Agriculture to administer Oregon Hemp State Program for production, processing and sale of hemp. Changes term "industrial hemp" to "hemp." Requires department to conduct criminal records check of applicants for licensure to grow hemp. Allows department to identify and require by rule licensure for other activities related to hemp. Directs department to establish by rule requirements for shipment manifest for commercial hemp shipments.

[Becomes operative January 1, 2022.]

[Takes effect on 91st day following adjournment sine die.]

Declares emergency, effective on passage.

A BILL FOR AN ACT

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

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

7
8 **OREGON HEMP STATE PROGRAM**

9
10 **SECTION 1. Sections 2, 3, 5 and 6 of this 2021 Act are added to and made a part of ORS**
11 **571.260 to 571.348.**

12 **SECTION 2. (1) The State Department of Agriculture shall conduct a criminal records**
13 **check under ORS 181A.195 on an individual who submits an application for a grower license**
14 **under ORS 571.281.**

15 **(2) For the purpose of requesting a state or nationwide criminal records check, the de-**
16 **partment may require fingerprints of any individual listed on an application submitted under**
17 **ORS 571.260 to 571.348, including:**

18 **(a) If the applicant is a limited partnership, each partner of the limited partnership;**

19 **(b) If the applicant is a limited liability company, each member of the limited liability**
20 **company;**

21 **(c) If the applicant is a corporation, each director and officer of the corporation;**

22 **(d) Any individual who is a partner, member, director or officer of an entity with a fi-**
23 **nancial interest in the applicant; and**

24 **(e) Other key participants with the applicant, as identified by the department by rule.**

25 **(3) ORS 181A.195 (10) does not apply to the department for purposes of conducting a**

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 criminal records check under this section.

2 **SECTION 3.** (1) Except as provided in subsection (2) of this section:

3 (a) If a person has been convicted of a felony related to a controlled substance under
4 state or federal law, the person is ineligible for a license under ORS 571.281 to grow hemp
5 issued by the State Department of Agriculture for 10 years following the date of the person's
6 conviction.

7 (b) If a licensee or an applicant, or a person related to the applicant as described in
8 section 2 (2)(e) of this 2021 Act, is convicted of a felony related to a controlled substance
9 under state or federal law, the department may deny, revoke or refuse to renew a grower
10 license under ORS 571.281 during the 10 years following the date of conviction.

11 (2) This section does not apply to a person who was registered to grow hemp with the
12 department before December 20, 2018.

13 **SECTION 4.** Section 3 of this 2021 Act applies to convictions before, on and after De-
14 cember 20, 2018.

15 **SECTION 5.** The Legislative Assembly finds and declares that the development and ad-
16 ministration of the Oregon Hemp State Program described in ORS 571.263 will move the State
17 of Oregon and its residents to the forefront of the hemp industry.

18 **SECTION 6.** (1) A person licensed under ORS 571.281 may, within the boundaries of this
19 state, transport to or receive from:

20 (a) A person licensed under ORS 571.281 or a laboratory licensed under ORS 475B.560
21 hemp or a hemp commodity that contains no more tetrahydrocannabinol than allowed by the
22 State Department of Agriculture by rule if the hemp or hemp used in the hemp commodity
23 originated from a crop inspected under ORS 571.281 (7) that was found to not contain an
24 average tetrahydrocannabinol concentration exceeding the concentration specified by the
25 department by rule.

26 (b) A person licensed under ORS 475B.090, 475B.100 or 475B.105 hemp or a hemp com-
27 modity or product that contains no more tetrahydrocannabinol than allowed by the Oregon
28 Liquor Control Commission by rule if the hemp or hemp used in the hemp commodity origi-
29 nated from a crop inspected under ORS 571.281 (7) that was found to not contain an average
30 tetrahydrocannabinol concentration exceeding the concentration specified by the department
31 by rule.

32 (2) Hemp or a hemp commodity transported or received as described in this section may
33 not be considered a "marijuana item."

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

35 571.260. ORS 571.260 to 571.348 shall be known and may be cited as the [*Oregon Industrial Hemp*
36 *Agricultural Pilot Program and Research Act*] **Oregon Hemp Act.**

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

38 571.263. The State Department of Agriculture shall administer an Oregon [*Industrial Hemp Ag-*
39 *ricultural Pilot Program for the purpose of studying the growth, cultivation and marketing of industrial*
40 *hemp in this state. In carrying out the program, the department:*] **Hemp State Program for the**
41 **production, processing and sale of hemp in this state. In carrying out the program, the de-**
42 **partment:**

43 (1) Shall administer ORS 571.260 to 571.348[;].

44 (2)(a) Shall adopt rules to implement a state plan for the production of hemp in accord-
45 ance with the Agriculture Improvement Act of 2018 (P.L. 115-334) and subsequent federal law.

1 **The rules adopted under this subsection must conform to, and not be more restrictive than,**
2 **the rules related to hemp promulgated by the United States Department of Agriculture.**

3 **(b) In adopting rules under this subsection, the State Department of Agriculture shall**
4 **include public input.**

5 **(c) The rules adopted under this subsection may include the adoption by reference of any**
6 **federal laws, rules, regulations or guidelines, or standards, practices or requirements related**
7 **to the production of hemp.**

8 [(2)] (3) Shall adopt by rule any record keeping and reporting requirements necessary to ad-
9 minister the program[;].

10 [(3)] (4) May purchase, possess, seize or dispose of [*industrial*] hemp products or commodities
11 as the [*department*] **State Department of Agriculture** deems necessary to enforce and ensure
12 compliance with ORS 571.260 to 571.348 or department rules relating to ORS 571.260 to 571.348[;
13 *and*].

14 [(4)] (5) May exercise any other power or perform any other function necessary to administer
15 the program.

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

17 571.269. As used in ORS 571.260 to 571.348:

18 (1) "Agricultural hemp seed" means Cannabis seed:

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

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

22 (2) "Crop" means [*industrial*] hemp grown under a single [*registration*] **license**.

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

24 (4) "Handler" means a person, joint venture or cooperative that receives [*industrial*] hemp for
25 processing into commodities, products or agricultural hemp seed **and any other activities identi-**
26 **fied by the State Department of Agriculture by rule.**

27 [(5) "*Industrial hemp*":]

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

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

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

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

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

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

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

39 [(c) *Does not mean industrial hemp commodities or products.*]

40 (5) "**Hemp**" means the plant species *Cannabis sativa* that:

41 (a) **Has a tetrahydrocannabinol concentration that complies with the concentration**
42 **specified by the department by rule; and**

43 (b) **Has the meaning as defined by the department by rule.**

44 (6) "[*Industrial*] Hemp concentrate" means [*an industrial*] a hemp product obtained by separating
45 cannabinoids from [*industrial*] hemp by:

1 (a) A mechanical process;

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

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

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

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

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

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

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

14 (8) “**Licensee**” means a grower, handler, agricultural hemp seed producer or other person
15 licensed under ORS 571.281.

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

17 571.272. (1) [*Industrial*] Hemp is an agricultural product that is subject to regulation by the
18 State Department of Agriculture.

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

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

22 571.275. (1) The Oregon Liquor Control Commission may purchase, possess, seize or dispose of
23 [*industrial*] hemp products or commodities located on a premises licensed under ORS 475B.070,
24 475B.090, 475B.100, 475B.105 or 475B.560 or other area under the control of the premises licensee
25 as the commission deems necessary to enforce and ensure compliance with:

26 (a) ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655 or rules adopted by
27 the commission relating to ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655;
28 or

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

33 (2) If the commission purchases, possesses, seizes or disposes of [*industrial*] hemp products or
34 commodities under this section to enforce or ensure compliance with a provision of ORS 571.260 to
35 571.348 or rule adopted by the department under ORS 571.260 to 571.348 that makes a requirement,
36 restriction or other provision of ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to
37 475B.655 applicable to [*industrial*] hemp, the commission shall notify the department of the commis-
38 sion action as soon as practicable.

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

40 571.278. There is established in the State Treasury, separate and distinct from the General Fund,
41 the [*Industrial*] Hemp Fund. Interest earned by the fund shall be credited to the fund. The fund shall
42 consist of all moneys credited to or deposited in the fund. Moneys in the fund are continuously ap-
43 propriated to the State Department of Agriculture for the purposes of implementing, administering
44 and enforcing ORS 571.260 to 571.348.

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

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

3 **(b) The department may identify by rule activities related to growing or handling hemp**
4 **in addition to those described in ORS 571.269, including but not limited to research activities,**
5 **and may require licensure to engage in those activities. The department may issue, renew,**
6 **suspend, revoke or refuse to issue or renew a license required pursuant to this subsection.**

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) [*Registration under this section is valid for a one-year term, beginning on January 1.*] **The**
24 **department shall adopt rules specifying the period of time for which a license issued under**
25 **this section is valid.** A [*grower, handler or agricultural hemp seed producer may renew a*
26 *registration*] **licensee may renew a license** under this section in a form and manner prescribed by
27 the department.

28 (5) A [*registration*] **license** under this section is a personal privilege and is not transferable.

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

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

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

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

37 (7) In addition to any inspection conducted pursuant to ORS 561.275, the department may inspect
38 any crop during the crop's growth phase and take a representative composite sample for field anal-
39 ysis. If a crop contains an average tetrahydrocannabinol concentration exceeding [*0.3 percent on a*
40 *dry weight basis or a tetrahydrocannabinol concentration exceeding the concentration allowed under*
41 *federal law, whichever is greater, the department may detain, seize or embargo the crop as*] **the con-**
42 **centration specified by the department by rule, the department may detain, seize or embargo**
43 **the crop as** provided under ORS 561.605 to 561.620, subject to any process established under ORS
44 571.345.

45 (8)(a) The department may charge [*growers, handlers and agricultural hemp seed producers*]

1 **licensees the following fees in amounts reasonably calculated by the department to pay the**
2 **cost of administering ORS 571.260 to 571.348:**

3 (A) Application fees[, *registration and renewal of registration fees*,];

4 (B) License and license renewal fees;

5 (C) Administrative change fees; and

6 (D) Fees for other services [*in amounts reasonably calculated by the department to pay the cost*
7 *of administering ORS 571.260 to 571.348*].

8 (b) Moneys from fees charged under this subsection shall be deposited in the [*Industrial*] Hemp
9 Fund established under ORS 571.278.

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

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

13 571.285. (1) Subject to the provisions of ORS chapter 183, the State Department of Agriculture
14 may revoke [*the registration of a grower, handler or agricultural hemp seed producer*] **a licensee's**
15 **license** or refuse to [*register*] **license** or renew the [*registration*] **license** if a [*grower, handler or*
16 *agricultural hemp seed producer*] **licensee** violates:

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

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

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

21 (d) Any statutory law or department rule related to agricultural activities other than
22 [*industrial*] hemp operations.

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

26 (2) **The department may adopt rules to prohibit a licensee from reapplying for a license**
27 **under ORS 571.281 for a period of time specified by rule by the department if the licensee**
28 **violates:**

29 (a) **A provision of ORS 571.260 to 571.348;**

30 (b) **A rule adopted pursuant to ORS 571.260 to 571.348; or**

31 (c) **An order issued by the department pursuant to ORS 571.260 to 571.348 or a rule**
32 **adopted pursuant to ORS 571.260 to 571.348.**

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

34 571.288. A grower [*registered*] **licensed** under ORS 571.281 may use any propagation method,
35 including planting seeds or starts or the use of clones or cuttings, to produce [*industrial*] hemp.

36 **SECTION 16.** ORS 571.294 is amended to read:

37 571.294. The State Department of Agriculture may charge [*growers and handlers registered*] **a**
38 **person licensed** under ORS 571.281 fees reasonably calculated by the department to pay the cost
39 of sampling or testing [*industrial*] hemp or [*industrial*] hemp commodities or products under ORS
40 571.330 and 571.333. Moneys from fees charged under this section shall be deposited in the [*Indus-*
41 *trial*] Hemp Fund established under ORS 571.278.

42 **SECTION 17.** ORS 571.302 is amended to read:

43 571.302. (1) For purposes of ORS 633.511 to 633.750, agricultural hemp seed is an agricultural
44 seed or a flower seed, as those terms are defined in ORS 633.511.

45 (2) The Director of Agriculture, or the director's agent, and the Dean of the College of Agri-

1 cultural Sciences of Oregon State University, or the dean's agent, shall establish a program for the
2 labeling and certification of agricultural hemp seed. For purposes of the program:

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

7 (b) The director and the dean shall exercise their respective functions and powers under ORS
8 633.511 to 633.750 with respect to agricultural hemp seed in the same manner that the director and
9 dean exercise their respective functions and powers under ORS 633.511 to 633.750 with respect to
10 other agricultural seed or flower seed, including but not limited to inspecting and sampling seeds
11 and making rules and regulations under ORS 633.680.

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

18 (4)(a) The director and the dean shall collaborate with growers [*registered*] **licensed** under ORS
19 571.281 in performing their respective duties and exercising their respective functions and powers
20 under ORS 633.511 to 633.750 with respect to agricultural hemp seed.

21 (b) The director and the dean may collaborate with growers [*registered*] **licensed** under ORS
22 571.281 and other stakeholders to develop a heritage agricultural hemp seed for this state.

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

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

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

33 **SECTION 18.** ORS 571.327 is amended to read:

34 571.327. (1) An agricultural hemp seed producer [*registered*] **licensed** under ORS 571.281:

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

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

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

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

45 **SECTION 19.** ORS 571.330 is amended to read:

1 571.330. (1) For purposes of this section, “consumption” means **ingestion or inhalation** [to
2 *ingest, inhale or topically apply to the skin or hair*].

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

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

11 (3) A [*grower or handler*] **person licensed under ORS 571.281** may not sell or transfer [*an in-*
12 *dustrial*] **a** hemp commodity or product that is intended for human consumption unless the com-
13 modity or product is tested by a laboratory described in subsection (2) of this section to ensure that
14 the commodity or product meets the requirements adopted by the [*Oregon Health Authority under*
15 *ORS 475B.555 (1)(a) and (b) and (2) for testing marijuana items.*] **department by rule. The depart-**
16 **ment may consult or enter into an agreement with the authority for the purpose of devel-**
17 **oping requirements under this subsection.**

18 (4) **A person may not sell or transfer to a consumer:**

19 (a) **Hemp or a hemp commodity or product if the hemp, hemp commodity or product is**
20 **intended for human consumption by ingestion unless the hemp or hemp commodity or prod-**
21 **uct is processed in a facility licensed by the department under ORS 616.695 to 616.755 or in**
22 **a facility in another state or jurisdiction that meets requirements substantially similar to**
23 **requirements established under ORS 616.695 to 616.755.**

24 (b) **Hemp, hemp concentrate, hemp extract or a hemp commodity or product unless the**
25 **hemp, hemp concentrate, hemp extract or hemp commodity or product is tested for potency**
26 **pursuant to rules adopted by the department under this section.**

27 [(4)] (5) 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)] (6) This section does not apply to **parts of hemp or any hemp commodities or products**
32 **that the department exempts by rule.[.]**

33 [(a) *Agricultural hemp seed;*]

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

36 [(c) *Products derived from seeds described in paragraph (b) of this subsection; or]*

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

38 **SECTION 20.** ORS 571.333 is amended to read:

39 571.333. (1) The State Department of Agriculture may enter into an agreement with the Oregon
40 Health Authority for the purpose of developing standards for investigating and testing [*an*
41 *industrial*] **a** hemp crop to determine the average tetrahydrocannabinol concentration of the crop.

42 (2) In accordance with standards developed under subsection (1) of this section, a laboratory
43 described in ORS 571.330 may test [*an industrial*] **a** hemp crop for the purpose of determining the
44 average tetrahydrocannabinol concentration of the crop. The laboratory must provide the test re-
45 sults to the department in a form and manner prescribed by the department.

1 **SECTION 21.** ORS 571.337 is amended to read:

2 571.337. (1) As used in this section:

3 (a) “Consumption” [*has the meaning given that term in ORS 571.330*] **means to ingest, inhale**
4 **or to apply topically to the skin or hair.**

5 **(b) “Licensee” has the meaning given that term in ORS 475B.015.**

6 **(c) “Marijuana item” has the meaning given that term in ORS 475B.015.**

7 [(b)] **(d) “Processor” means a person licensed under ORS 475B.090.**

8 [(c)] **(e) “Retailer” means a person licensed under ORS 475B.105.**

9 [(d)] **(f) “Wholesaler” means a person licensed under ORS 475B.100.**

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

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

15 (b) The [*grower, handler or processor under*] **person licensed under ORS 571.281 described in**
16 paragraph (a) of this subsection is registered by the Oregon Liquor Control Commission [*as provided*
17 *under ORS 571.336; and*] **in a form and manner prescribed by the commission;**

18 (c) **The processor, retailer or wholesaler is provided with the results of any test con-**
19 **ducted on the hemp, commodity or product pursuant to ORS 571.330 as a condition of the**
20 **processor, retailer or wholesaler receiving the hemp, commodity or product;**

21 **(d) The processor, retailer or wholesaler keeps the test results received under paragraph**
22 **(c) of this subsection as required by the commission;**

23 **(e) The person licensed under ORS 571.281 and the processor, retailer or wholesaler meet**
24 **any other requirements established by the commission by rule for registration or endorse-**
25 **ment under this section; and**

26 [(c)] **(f) The hemp, commodity or product meets the requirements for marijuana items under ORS**
27 **475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted by the**
28 **commission.**

29 (3) A [*grower, handler*] **person licensed under ORS 571.281** or processor registered as described
30 under [*ORS 571.336 (2)(a)*] **subsection (2) of this section** shall enter hemp, commodity or product
31 that contains cannabinoids, is intended for human consumption and is intended for transfer, sale or
32 transport to a processor, retailer or wholesaler licensed under ORS 475B.010 to 475B.545 into the
33 tracking system described in ORS 475B.177 before the hemp, commodity or product is transferred
34 to a laboratory described in ORS 571.330 (2) for testing of a type described under ORS 475B.555.
35 The commission shall continue to track the hemp, commodity or product entered into the system
36 under this subsection when the hemp, commodity or product is transferred, sold or transported to
37 a premises licensed under ORS 475B.010 to 475B.545, or to other areas under the control of the
38 premises licensee.

39 **(4) Hemp, or a hemp commodity or product that contains cannabinoids, may be processed**
40 **by a processor into a commodity or product, or used by a processor to supplement the pro-**
41 **cessing of a marijuana item.**

42 **(5) A hemp commodity or product that contains cannabinoids and is intended for human**
43 **consumption, or a marijuana item processed with hemp or a hemp commodity or product**
44 **pursuant to subsection (4) of this section, may be delivered to a licensee in the manner de-**
45 **scribed in ORS 475B.206 if the hemp, commodity or product or the marijuana item meets any**

1 **applicable requirements for marijuana items established pursuant to ORS 475B.010 to**
2 **475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655 or rules adopted under ORS 475B.010**
3 **to 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655.**

4 [(4)] (6) The State Department of Agriculture shall adopt rules regarding the activities of
5 growers and handlers under this section.

6 [(5)] (7) The commission shall adopt rules regarding the activities of processors, retailers,
7 wholesalers and laboratories under this section.

8 **(8) The commission may impose on persons licensed under ORS 571.281 and registered**
9 **under this section, and on processors, retailers and wholesalers endorsed under this section,**
10 **an annual fee reasonably calculated to not exceed the cost of administering this section. Fees**
11 **collected under this section shall be deposited in the Marijuana Control and Regulation Fund**
12 **established under ORS 475B.296. Moneys deposited in the fund pursuant to this subsection**
13 **are continuously appropriated to the commission for the purpose of administering this sec-**
14 **tion.**

15 **SECTION 22.** ORS 571.339 is amended to read:

16 571.339. A person may not make a retail sale of [*industrial*] hemp commodities or products in
17 this state unless the [*industrial*] hemp commodities or products and the [*industrial*] hemp used to
18 process the [*industrial*] hemp commodities or products meet the requirements for processing [*indus-*
19 *trial*] hemp commodities or products or growing [*industrial*] hemp set forth in ORS 571.260 to 571.348
20 and rules adopted under ORS 571.260 to 571.348. This section does not apply to the retail sale of
21 [*industrial*] hemp commodities or products by a marijuana retailer, as defined in ORS 475B.015, that
22 holds a license issued under ORS 475B.105.

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

24 571.345. The State Department of Agriculture may by rule or order establish a process providing
25 for the remediation of a violation of ORS 571.330 or 571.333 that is committed by a [*grower or han-*
26 *dler registered*] **person licensed** under ORS 571.281 and is not committed intentionally.

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

28 571.348. (1) Subject to the provisions of ORS chapter 183, the State Department of Agriculture
29 may impose a civil penalty not to exceed \$2,500 on a person for violating:

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

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

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

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

36 [(3)] (2) All moneys collected by the department under this section shall be deposited in the
37 General Fund in the State Treasury to the credit of the [*Industrial*] Hemp Fund established under
38 ORS 571.278.

39 **SECTION 25.** **The State Department of Agriculture shall issue a license to grow or handle**
40 **hemp under ORS 571.281 on the date the previous registration is due for renewal to a grower**
41 **or handler who:**

42 (1) **Registered under ORS 571.281 before the effective date of this 2021 Act; and**

43 (2) **Meets the requirements for registration renewal.**

44 **SECTION 26.** **ORS 571.336 and 571.341 are repealed.**

45

CONFORMING AMENDMENTS

SECTION 27. ORS 475B.015 is amended to read:

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

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

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

(a) A mechanical extraction process;

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

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

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

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

(4) "Cannabinoid extract" means a substance obtained by separating cannabinoids from marijuana by:

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

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

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

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

(b) "Cannabinoid product" does not include:

(A) Usable marijuana by itself;

(B) A cannabinoid concentrate by itself;

(C) A cannabinoid extract by itself; or

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

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

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

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

(9)(a) "Financial consideration" means value that is given or received either directly or indirectly through sales, barter, trade, fees, charges, dues, contributions or donations.

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

(10) "Homegrown" means grown by a person 21 years of age or older for noncommercial purposes.

(11) "Household" means a housing unit and any place in or around a housing unit at which the occupants of the housing unit are producing, processing, possessing or storing homegrown

1 marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

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

6 (13) "Immature marijuana plant" means a marijuana plant that is not flowering.

7 (14) "Licensee" means a person that holds a license issued under ORS 475B.070, 475B.090,
8 475B.100 or 475B.105.

9 (15) "Licensee representative" means an owner, director, officer, manager, employee, agent or
10 other representative of a licensee, to the extent that the person acts in a representative capacity.

11 (16)(a) "Manufacture" means producing, propagating, preparing, compounding, converting or
12 processing a marijuana item, either directly or indirectly, by extracting from substances of natural
13 origin.

14 (b) "Manufacture" includes any packaging or repackaging of a marijuana item or the labeling
15 or relabeling of a container containing a marijuana item.

16 (17)(a) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant
17 Cannabis family Cannabaceae and marijuana seeds.

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 (18) "Marijuana flowers" means the flowers of the plant genus Cannabis within the plant family
24 Cannabaceae.

25 (19) "Marijuana items" means marijuana, cannabinoid products, cannabinoid concentrates and
26 cannabinoid extracts.

27 (20) "Marijuana leaves" means the leaves of the plant genus Cannabis within the plant family
28 Cannabaceae.

29 (21) "Marijuana processor" means a person that processes marijuana items in this state.

30 (22) "Marijuana producer" means a person that produces marijuana in this state.

31 (23) "Marijuana retailer" means a person that sells marijuana items to a consumer in this state.

32 (24)(a) "Marijuana seeds" means the seeds of the plant Cannabis family Cannabaceae.

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

34 (25) "Marijuana wholesaler" means a person that purchases marijuana items in this state for
35 resale to a person other than a consumer.

36 (26) "Mature marijuana plant" means a marijuana plant that is not an immature marijuana
37 plant.

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

43 (28) "Medical purpose" means a purpose related to using usable marijuana, cannabinoid pro-
44 ducts, cannabinoid concentrates or cannabinoid extracts to mitigate the symptoms or effects of a
45 debilitating medical condition, as defined in ORS 475B.791.

1 (29) "Noncommercial" means not dependent or conditioned upon the provision or receipt of fi-
2 nancial consideration.

3 (30)(a) "Premises" includes the following areas of a location licensed under ORS 475B.010 to
4 475B.545:

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

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

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

11 (b) "Premises" does not include a primary residence.

12 (31)(a) "Processes" means the processing, compounding or conversion of marijuana into
13 cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

14 (b) "Processes" does not include packaging or labeling.

15 (32)(a) "Produces" means the manufacture, planting, cultivation, growing or harvesting of
16 marijuana.

17 (b) "Produces" does not include:

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

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

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

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

29 (35) "Registry identification cardholder" has the meaning given that term in ORS 475B.791.

30 (36)(a) "Usable marijuana" means the dried leaves and flowers of marijuana.

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

32 (A) Marijuana seeds;

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

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

35 **SECTION 28.** ORS 475B.227 is amended to read:

36 475B.227. (1) For purposes of this section:

37 (a) "Export" includes placing a marijuana item in any mode of transportation for hire, such as
38 luggage, mail or parcel delivery, even if the transportation of the marijuana item is intercepted prior
39 to the marijuana item leaving this state.

40 (b) "Marijuana item" includes [*industrial*] hemp products and commodities [*that contain more*
41 *than 0.3 percent tetrahydrocannabinol*] **except hemp commodities or products described in sub-**
42 **section (3) of this section.**

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

45 (3) **This section does not apply to the import or export of hemp products or commodities**

1 **to or from this state that contains less than one percent tetrahydrocannabinol and complies**
2 **with:**

3 **(a) ORS 571.260 to 571.348 and rules adopted under, or orders issued pursuant to, ORS**
4 **571.260 to 571.348; or**

5 **(b) The Agriculture Improvement Act of 2018 (P.L. 115-334).**

6 [(3)] (4) Except as provided in subsection [(4)] (5) of this section, a violation of this section is
7 a Class B violation.

8 [(4)] (5) A violation of this section is a:

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

10 (A) Is not for consideration and the person holds a license issued under ORS 475B.070, 475B.090,
11 475B.100, [or] 475B.105 **or 571.281**; or

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

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

15 (A) Is for consideration and the person holds a license issued under ORS 475B.070, 475B.090,
16 475B.100, [or] 475B.105 **or 571.281**; or

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

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

21 **SECTION 29.** ORS 475B.253 is amended to read:

22 475B.253. (1) As used in this section, “[*industrial*] hemp” has the meaning given that term in
23 ORS 571.269.

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

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

29 **SECTION 30.** ORS 475B.254 is amended to read:

30 475B.254. (1) As used in this section:

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

33 (b) “Marijuana item” includes [*industrial*] hemp products and commodities that contain more
34 [*than 0.3 percent tetrahydrocannabinol.*] **tetrahydrocannabinol than allowed by the State Depart-**
35 **ment of Agriculture by rule.**

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

38 **SECTION 31.** ORS 475B.311 is amended to read:

39 475B.311. (1) A person other than a marijuana processor that holds a license issued under ORS
40 475B.090, **a handler licensed under ORS 571.281 to process hemp or another person licensed**
41 **under ORS 571.281 who has been issued a land use compatibility statement** may not process
42 cannabinoid extracts into a cannabinoid product.

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

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

45 **SECTION 32.** ORS 475B.550 is amended to read:

1 475B.550. As used in ORS 475B.550 to 475B.590:

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

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

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

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

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

12 (A) Usable marijuana by itself;

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

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

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

17 (b) "Marijuana" does not include:

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

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

22 (6) "Marijuana item" means marijuana, usable marijuana, a cannabinoid product or a
23 cannabinoid concentrate or extract.

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

26 (8) "Producing" means:

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

28 (b) Drying marijuana leaves and flowers.

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

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

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

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

33 **SECTION 33.** ORS 475B.600 is amended to read:

34 475B.600. As used in ORS 475B.600 to 475B.655:

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

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

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

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

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

45 (A) Usable marijuana by itself;

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

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

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

5 (b) "Marijuana" does not include:

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

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

10 (6) "Marijuana item" means marijuana, usable marijuana, a cannabinoid product or a
11 cannabinoid concentrate or extract.

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

14 (8) "Producing" means:

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

16 (b) Drying marijuana leaves and flowers.

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

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

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

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

21 **SECTION 34.** ORS 475B.791 is amended to read:

22 475B.791. As used in ORS 475B.785 to 475B.949:

23 (1) "Attending physician" means a physician licensed under ORS chapter 677 who has primary
24 responsibility for the care and treatment of a person diagnosed with a debilitating medical condition.

25 (2) "Cannabinoid" means any of the chemical compounds that are the active constituents of
26 marijuana.

27 (3) "Cannabinoid concentrate" means a substance obtained by separating cannabinoids from
28 marijuana by:

29 (a) A mechanical extraction process;

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

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

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

36 (4) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate,
37 cannabinoid extract or dried leaves or flowers of marijuana have been incorporated.

38 (5) "Cannabinoid extract" means a substance obtained by separating cannabinoids from
39 marijuana by:

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

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

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

- 1 (6) “Debilitating medical condition” means:
- 2 (a) Cancer, glaucoma, a degenerative or pervasive neurological condition, positive status for
- 3 human immunodeficiency virus or acquired immune deficiency syndrome, or a side effect related to
- 4 the treatment of those medical conditions;
- 5 (b) A medical condition or treatment for a medical condition that produces, for a specific pa-
- 6 tient, one or more of the following:
- 7 (A) Cachexia;
- 8 (B) Severe pain;
- 9 (C) Severe nausea;
- 10 (D) Seizures, including seizures caused by epilepsy; or
- 11 (E) Persistent muscle spasms, including spasms caused by multiple sclerosis;
- 12 (c) Post-traumatic stress disorder; or
- 13 (d) Any other medical condition or side effect related to the treatment of a medical condition
- 14 adopted by the Oregon Health Authority by rule or approved by the authority pursuant to a petition
- 15 filed under ORS 475B.946.
- 16 (7)(a) “Delivery” has the meaning given that term in ORS 475.005.
- 17 (b) “Delivery” does not include transfer of marijuana by a registry identification cardholder to
- 18 another registry identification cardholder if no consideration is paid for the transfer.
- 19 (8)(a) “Designated primary caregiver” means an individual:
- 20 (A) Who is 18 years of age or older;
- 21 (B) Who has significant responsibility for managing the well-being of a person who has been
- 22 diagnosed with a debilitating medical condition; and
- 23 (C) Who is designated as the person responsible for managing the well-being of a person who
- 24 has been diagnosed with a debilitating medical condition on that person’s application for a registry
- 25 identification card or in other written notification submitted to the authority.
- 26 (b) “Designated primary caregiver” does not include a person’s attending physician.
- 27 (9) “High heat” means a temperature exceeding 180 degrees.
- 28 (10) “Immature marijuana plant” means a marijuana plant that is not flowering.
- 29 (11)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant
- 30 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.
- 31 (b) “Marijuana” does not include:
- 32 (A) [Industrial] Hemp, as defined in ORS 571.269; or
- 33 (B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one
- 34 or more cannabinoids, that are approved by the United States Food and Drug Administration and
- 35 dispensed by a pharmacy, as defined in ORS 689.005.
- 36 (12) “Marijuana grow site” means a location registered under ORS 475B.810 where marijuana
- 37 is produced for use by a registry identification cardholder.
- 38 (13) “Marijuana processing site” means a marijuana processing site registered under ORS
- 39 475B.840 or a site for which an applicant has submitted an application for registration under ORS
- 40 475B.840.
- 41 (14) “Mature marijuana plant” means a marijuana plant that is not an immature marijuana
- 42 plant.
- 43 (15)(a) “Medical cannabinoid product” means a cannabinoid edible and any other product in-
- 44 tended for human consumption or use, including a product intended to be applied to a person’s skin
- 45 or hair, that contains cannabinoids or dried leaves or flowers of marijuana.

1 (b) "Medical cannabinoid product" does not include:

2 (A) Usable marijuana by itself;

3 (B) A cannabinoid concentrate by itself;

4 (C) A cannabinoid extract by itself; or

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

6 (16) "Medical marijuana dispensary" means a medical marijuana dispensary registered under
7 ORS 475B.858 or a site for which an applicant has submitted an application for registration under
8 ORS 475B.858.

9 (17) "Medical use of marijuana" means the production, processing, possession, delivery or ad-
10 ministration of marijuana, or use of paraphernalia used to administer marijuana, to mitigate the
11 symptoms or effects of a debilitating medical condition.

12 (18) "Person designated to produce marijuana by a registry identification cardholder" means a
13 person designated to produce marijuana by a registry identification cardholder under ORS 475B.810
14 who produces marijuana for a registry identification cardholder at an address other than the address
15 where the registry identification cardholder resides or at an address where more than 12 mature
16 marijuana plants are produced.

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

19 (20) "Production" means:

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

21 (b) Drying marijuana leaves or flowers.

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

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

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

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

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

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

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

34
35 **COMMERCIAL HEMP SHIPMENTS**

36
37 **SECTION 35. The State Department of Agriculture shall establish by rule requirements**
38 **for a shipment manifest for commercial hemp shipments. In adopting rules under this sec-**
39 **tion, the department may define "commercial hemp shipment" and "shipment manifest."**

40
41 **EXPENDITURE LIMITATION**

42
43 **SECTION 36. Notwithstanding any other law limiting expenditures, the limitation on**
44 **expenditures established by section 2 (3), chapter 452, Oregon Laws 2019, for the biennium**
45 **ending June 30, 2021, as the maximum limit for payments of expenses from fees, moneys or**

1 other revenues, including Miscellaneous Receipts, and including federal funds for contract
2 services, but excluding lottery funds and federal funds not described in section 2, chapter 452,
3 Oregon Laws 2019, collected or received by the State Department of Agriculture, for natural
4 resources, is increased by \$_____ for implementation of the Oregon Hemp State Program.

5
6 **UNIT CAPTIONS**

7
8 **SECTION 37.** The unit captions used in this 2021 Act are provided only for the conven-
9 ience of the reader and do not become part of the statutory law of this state or express any
10 legislative intent in the enactment of this 2021 Act.

11
12 **EFFECTIVE DATE**

13
14 **SECTION 38.** This 2021 Act being necessary for the immediate preservation of the public
15 peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect
16 on its passage.

17 _____