

Senate Bill 35

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Kate Brown for State Department of Agriculture)

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 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.

Becomes operative January 1, 2022.

Takes effect on 91st day following adjournment sine die.

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, 571.336, 571.337, 571.339,
5 571.345 and 571.348; repealing ORS 571.341; and prescribing an effective date.

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

OREGON HEMP STATE PROGRAM

7
8
9
10 **SECTION 1. Sections 2, 3 and 5 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**
26 **criminal records check under this section.**

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

28 **(a) If a person has been convicted of a felony related to a controlled substance under**

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 state or federal law, the person is ineligible for a license under ORS 571.281 to grow hemp
 2 issued by the State Department of Agriculture for 10 years following the date of the person's
 3 conviction.

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

8 (2) This section does not apply to a person who was registered to grow hemp with the
 9 department before October 31, 2019.

10 **SECTION 4.** Section 3 of this 2021 Act applies to convictions before, on and after October
 11 31, 2019.

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

15 **SECTION 6.** ORS 571.260 is amended to read:

16 571.260. ORS 571.260 to 571.348 shall be known and may be cited as the [*Oregon Industrial Hemp*
 17 *Agricultural Pilot Program and Research Act*] **Oregon Hemp Act.**

18 **SECTION 7.** ORS 571.263 is amended to read:

19 571.263. The State Department of Agriculture shall administer an Oregon [*Industrial Hemp Ag-*
 20 *ricultural Pilot Program for the purpose of studying the growth, cultivation and marketing of industrial*
 21 *hemp in this state. In carrying out the program, the department:*] **Hemp State Program for the**
 22 **production, processing and sale of hemp in this state. In carrying out the program, the de-**
 23 **partment:**

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

25 (2)(a) **Shall adopt rules to implement a state plan for the production of hemp in accord-**
 26 **ance with the Agriculture Improvement Act of 2018 (P.L. 115-334) and subsequent federal law.**
 27 **The rules adopted under this subsection must conform to, and not be more restrictive than,**
 28 **the rules related to hemp promulgated by the United States Department of Agriculture.**

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

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

34 [(2)] (3) **Shall adopt by rule any record keeping and reporting requirements necessary to ad-**
 35 **minister the program[;].**

36 [(3)] (4) **May purchase, possess, seize or dispose of [*industrial*] hemp products or commodities**
 37 **as the department deems necessary to enforce and ensure compliance with ORS 571.260 to 571.348**
 38 **or department rules relating to ORS 571.260 to 571.348[; and].**

39 [(4)] (5) **May exercise any other power or perform any other function necessary to administer**
 40 **the program.**

41 **SECTION 8.** ORS 571.269 is amended to read:

42 571.269. As used in ORS 571.260 to 571.348:

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

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

45 (b) That remains in an unprocessed or partially processed condition that is capable of

1 germination.

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

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

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

7 [(5) “*Industrial hemp*”:]

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

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

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

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

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

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

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

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

20 (5) **“Hemp” means the plant species Cannabis sativa that:**

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

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

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

26 (a) A mechanical process;

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

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

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

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

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

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

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

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

41 **SECTION 9.** ORS 571.272 is amended to read:

42 571.272. (1) [*Industrial*] Hemp is an agricultural product that is subject to regulation by the
 43 State Department of Agriculture.

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

1 **SECTION 10.** ORS 571.275 is amended to read:

2 571.275. (1) The Oregon Liquor Control Commission may purchase, possess, seize or dispose of
3 [industrial] hemp products or commodities located on a premises licensed under ORS 475B.070,
4 475B.090, 475B.100, 475B.105 or 475B.560 or other area under the control of the premises licensee
5 as the commission deems necessary to enforce and ensure compliance with:

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

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

13 (2) If the commission purchases, possesses, seizes or disposes of [industrial] hemp products or
14 commodities under this section to enforce or ensure compliance with a provision of ORS 571.260 to
15 571.348 or rule adopted by the department under ORS 571.260 to 571.348 that makes a requirement,
16 restriction or other provision of ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to
17 475B.655 applicable to [industrial] hemp, the commission shall notify the department of the commis-
18 sion action as soon as practicable.

19 **SECTION 11.** ORS 571.278 is amended to read:

20 571.278. There is established in the State Treasury, separate and distinct from the General Fund,
21 the [Industrial] Hemp Fund. Interest earned by the fund shall be credited to the fund. The fund shall
22 consist of all moneys credited to or deposited in the fund. Moneys in the fund are continuously ap-
23 propriated to the State Department of Agriculture for the purposes of implementing, administering
24 and enforcing ORS 571.260 to 571.348.

25 **SECTION 12.** ORS 571.281 is amended to read:

26 571.281. (1)(a) To grow or handle [industrial] hemp, a person must be [*registered with*] **licensed**
27 **by** the State Department of Agriculture as a grower or handler.

28 **(b) The department may identify by rule activities related to growing or handling hemp**
29 **in addition to those described in ORS 571.269, and may require licensure to engage in those**
30 **activities. The department may issue, renew, suspend, revoke or refuse to issue or renew a**
31 **license required pursuant to this subsection.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (7) In addition to any inspection conducted pursuant to ORS 561.275, the department may inspect
 18 any crop during the crop's growth phase and take a representative composite sample for field anal-
 19 ysis. If a crop contains an average tetrahydrocannabinol concentration exceeding *[0.3 percent on a*
 20 *dry weight basis or a tetrahydrocannabinol concentration exceeding the concentration allowed under*
 21 *federal law, whichever is greater, the department may detain, seize or embargo the crop as]* **the con-**
 22 **centration specified by the department by rule, the department may detain, seize or embargo**
 23 **the crop as** provided under ORS 561.605 to 561.620, subject to any process established under ORS
 24 571.345.

25 (8)(a) The department may charge *[growers, handlers and agricultural hemp seed producers]*
 26 **licensees the following fees in amounts reasonably calculated by the department to pay the**
 27 **cost of administering ORS 571.260 to 571.348:**

28 (A) Application fees¹, *registration and renewal of registration fees,*;

29 (B) **License and license renewal fees;**

30 (C) Administrative change fees; and

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

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

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

37 **SECTION 13.** ORS 571.285 is amended to read:

38 571.285. (1) Subject to the provisions of ORS chapter 183, the State Department of Agriculture
 39 may revoke *[the registration of a grower, handler or agricultural hemp seed producer]* **a licensee's**
 40 **license** or refuse to *[register]* **license** or renew the *[registration]* **license** if a *[grower, handler or*
 41 *agricultural hemp seed producer]* **licensee** violates:

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

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

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

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

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

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

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

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

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

13 **SECTION 14.** ORS 571.288 is amended to read:

14 571.288. A grower [*registered*] **licensed** under ORS 571.281 may use any propagation method,
15 including planting seeds or starts or the use of clones or cuttings, to produce [*industrial*] hemp.

16 **SECTION 15.** ORS 571.294 is amended to read:

17 571.294. The State Department of Agriculture may charge growers and handlers [*registered*] **li-**
18 **censed** under ORS 571.281 fees reasonably calculated by the department to pay the cost of sampling
19 or testing [*industrial*] hemp or [*industrial*] hemp commodities or products under ORS 571.330 and
20 571.333. Moneys from fees charged under this section shall be deposited in the [*Industrial*] Hemp
21 Fund established under ORS 571.278.

22 **SECTION 16.** ORS 571.302 is amended to read:

23 571.302. (1) For purposes of ORS 633.511 to 633.750, agricultural hemp seed is an agricultural
24 seed or a flower seed, as those terms are defined in ORS 633.511.

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

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

32 (b) The director and the dean shall exercise their respective functions and powers under ORS
33 633.511 to 633.750 with respect to agricultural hemp seed in the same manner that the director and
34 dean exercise their respective functions and powers under ORS 633.511 to 633.750 with respect to
35 other agricultural seed or flower seed, including but not limited to inspecting and sampling seeds
36 and making rules and regulations under ORS 633.680.

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

43 (4)(a) The director and the dean shall collaborate with growers [*registered*] **licensed** under ORS
44 571.281 in performing their respective duties and exercising their respective functions and powers
45 under ORS 633.511 to 633.750 with respect to agricultural hemp seed.

1 (b) The director and the dean may collaborate with growers [*registered*] **licensed** under ORS
 2 571.281 and other stakeholders to develop a heritage agricultural hemp seed for this state.

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

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

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

13 **SECTION 17.** ORS 571.327 is amended to read:

14 571.327. (1) An agricultural hemp seed producer [*registered*] **licensed** under ORS 571.281:

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

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

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

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

25 **SECTION 18.** ORS 571.330 is amended to read:

26 571.330. (1) For purposes of this section, “consumption” means to ingest, inhale or topically ap-
 27 ply to the skin or hair.

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

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

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

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

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

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

45 (5) This section does not apply to:

1 (a) Agricultural hemp seed;

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

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

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

6 **SECTION 19.** ORS 571.333 is amended to read:

7 571.333. (1) The State Department of Agriculture may enter into an agreement with the Oregon
8 Health Authority for the purpose of developing standards for investigating and testing [*an*
9 *industrial*] a hemp crop to determine the average tetrahydrocannabinol concentration of the crop.

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

14 **SECTION 20.** ORS 571.336 is amended to read:

15 571.336. (1) As used in this section, “licensee,” “marijuana,” “marijuana item” and “marijuana
16 processor” have the meanings given those terms in ORS 475B.015.

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

20 (a) The grower or handler and the marijuana processor are registered with the Oregon Liquor
21 Control Commission, in a form and manner prescribed by the commission, for the purpose of pro-
22 cessing [*industrial*] hemp, [*industrial*] hemp concentrates and [*industrial*] hemp extracts;

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

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

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

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

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

39 (4) [*An industrial*] A hemp concentrate, [*industrial*] hemp extract, [*industrial*] hemp commodity
40 or product or marijuana item processed pursuant to this section may be delivered by a marijuana
41 processor registered under this section to a licensee as described in ORS 475B.206, provided that the
42 [*industrial*] hemp concentrate, [*industrial*] hemp extract, [*industrial*] hemp commodity or product or
43 marijuana item meets any applicable requirement for marijuana items set forth in ORS 475B.010 to
44 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted under ORS 475B.010 to
45 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655.

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

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

8 571.337. (1) As used in this section:

9 (a) "Consumption" has the meaning given that term in ORS 571.330.

10 (b) "Processor" means a person licensed under ORS 475B.090.

11 (c) "Retailer" means a person licensed under ORS 475B.105.

12 (d) "Wholesaler" means a person licensed under ORS 475B.100.

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

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

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

20 (c) The hemp, commodity or product meets the requirements for marijuana items under ORS
 21 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted by the
 22 commission.

23 (3) A grower, handler or processor registered as described under ORS 571.336 (2)(a) shall enter
 24 hemp, commodity or product that contains cannabinoids, is intended for human consumption and is
 25 intended for transfer, sale or transport to a processor, retailer or wholesaler licensed under ORS
 26 475B.010 to 475B.545 into the tracking system described in ORS 475B.177 before the hemp, com-
 27 modity or product is transferred to a laboratory described in ORS 571.330 (2) for testing of a type
 28 described under ORS 475B.555. The commission shall continue to track the hemp, commodity or
 29 product entered into the system under this subsection when the hemp, commodity or product is
 30 transferred, sold or transported to a premises licensed under ORS 475B.010 to 475B.545, or to other
 31 areas under the control of the premises licensee.

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

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

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

37 571.339. A person may not make a retail sale of [*industrial*] hemp commodities or products in
 38 this state unless the [*industrial*] hemp commodities or products and the [*industrial*] hemp used to
 39 process the [*industrial*] hemp commodities or products meet the requirements for processing [*indus-*
 40 *trial*] hemp commodities or products or growing [*industrial*] hemp set forth in ORS 571.260 to 571.348
 41 and rules adopted under ORS 571.260 to 571.348. This section does not apply to the retail sale of
 42 [*industrial*] hemp commodities or products by a marijuana retailer, as defined in ORS 475B.015, that
 43 holds a license issued under ORS 475B.105.

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

45 571.345. The State Department of Agriculture may by rule or order establish a process providing

1 for the remediation of a violation of ORS 571.330 or 571.333 that is committed by a grower or han-
 2 dler [*registered*] **licensed** under ORS 571.281 and is not committed intentionally.

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

4 571.348. (1) Subject to the provisions of ORS chapter 183, the State Department of Agriculture
 5 may impose a civil penalty not to exceed \$2,500 on a person for violating:

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

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

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

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

12 [(3)] (2) All moneys collected by the department under this section shall be deposited in the
 13 General Fund in the State Treasury to the credit of the [*Industrial*] Hemp Fund established under
 14 ORS 571.278.

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

18 (1) Registered under ORS 571.281 on or before the operative date specified in section 27
 19 of this 2021 Act; and

20 (2) Meets the requirements for registration renewal.

21 **SECTION 26.** ORS 571.341 is repealed.

22 **SECTION 27.** (1) Sections 2, 3, 5 and 25 of this 2021 Act, the amendments to ORS 571.260,
 23 571.263, 571.269, 571.272, 571.275, 571.278, 571.281, 571.285, 571.288, 571.294, 571.302, 571.327,
 24 571.330, 571.333, 571.336, 571.337, 571.339, 571.345 and 571.348 by sections 6 to 24 of this 2021
 25 Act and the repeal of ORS 571.341 by section 26 of this 2021 Act become operative on January
 26 1, 2022.

27 (2) The Oregon Health Authority, the Oregon Liquor Control Commission and the State
 28 Department of Agriculture may take any action before the operative date specified in sub-
 29 section (1) of this section that is necessary to enable the authority, the commission and the
 30 department to exercise, on and after the operative date specified in subsection (1) of this
 31 section, all of the duties, functions and powers conferred on the authority, the commission
 32 and the department by sections 2, 3, 5 and 25 of this 2021 Act, the amendments to ORS
 33 571.260, 571.263, 571.269, 571.272, 571.275, 571.278, 571.281, 571.285, 571.288, 571.294, 571.302,
 34 571.327, 571.330, 571.333, 571.336, 571.337, 571.339, 571.345 and 571.348 by sections 6 to 24 of this
 35 2021 Act and the repeal of ORS 571.341 by section 26 of this 2021 Act.

36 37 CONFORMING AMENDMENTS

38
39 **SECTION 28.** 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 marijuana, cannabinoid products, cannabinoid concentrates and
 17 cannabinoid extracts.

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

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

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

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

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

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

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

27 (26) "Mature marijuana plant" means a marijuana plant that is not an immature marijuana
 28 plant.

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

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

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

39 (30)(a) "Premises" includes the following areas of a location licensed under ORS 475B.010 to
 40 475B.545:

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

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

45 (C) For a location that the commission has specifically licensed for the production of marijuana

1 outside a building, that portion of the location used to produce marijuana.

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

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

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

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

8 (b) "Produces" does not include:

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

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

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

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

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

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

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

23 (A) Marijuana seeds;

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

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

26 **SECTION 29.** ORS 475B.227 is amended to read:

27 475B.227. (1) For purposes of this section:

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

31 (b) "Marijuana item" includes [*industrial*] hemp products and commodities that contain more
32 [*than 0.3 percent*] tetrahydrocannabinol **than allowed by the State Department of Agriculture**
33 **by rule.**

34 (2) A person may not import marijuana items into this state or export marijuana items from this
35 state.

36 (3) Except as provided in subsection (4) of this section, a violation of this section is a Class B
37 violation.

38 (4) A violation of this section is a:

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

40 (A) Is not for consideration and the person holds a license issued under ORS 475B.070, 475B.090,
41 475B.100 or 475B.105; or

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

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

45 (A) Is for consideration and the person holds a license issued under ORS 475B.070, 475B.090,

1 475B.100 or 475B.105;

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

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

6 **SECTION 30.** ORS 475B.253 is amended to read:

7 475B.253. (1) As used in this section, “[*industrial*] hemp” has the meaning given that term in
8 ORS 571.269.

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

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

14 **SECTION 31.** ORS 475B.254 is amended to read:

15 475B.254. (1) As used in this section:

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

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

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

23 **SECTION 32.** ORS 475B.311 is amended to read:

24 475B.311. (1) A person other than a marijuana processor that holds a license issued under ORS
25 475B.090 **or a handler licensed under ORS 571.281 to process hemp** may not process cannabinoid
26 extracts into a cannabinoid product.

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

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

29 **SECTION 33.** ORS 475B.550 is amended to read:

30 475B.550. As used in ORS 475B.550 to 475B.590:

31 (1) “Cannabinoid” means any of the chemical compounds that are the active constituents of
32 marijuana.

33 (2) “Cannabinoid concentrate or extract” means a substance obtained by separating
34 cannabinoids from marijuana by a mechanical, chemical or other process.

35 (3) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate or
36 extract or the dried leaves or flowers of marijuana have been incorporated.

37 (4)(a) “Cannabinoid product” means a cannabinoid edible or any other product intended for hu-
38 man consumption or use, including a product intended to be applied to a person’s skin or hair, that
39 contains cannabinoids or the dried leaves or flowers of marijuana.

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

41 (A) Usable marijuana by itself;

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

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

44 (5)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant
45 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

1 (b) “Marijuana” does not include:

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

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

6 (6) “Marijuana item” means marijuana, usable marijuana, a cannabinoid product or a
7 cannabinoid concentrate or extract.

8 (7) “Processing” means the compounding or conversion of marijuana into cannabinoid products
9 or cannabinoid concentrates or extracts.

10 (8) “Producing” means:

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

12 (b) Drying marijuana leaves and flowers.

13 (9)(a) “Usable marijuana” means the dried leaves and flowers of marijuana.

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

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

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

17 **SECTION 34.** ORS 475B.600 is amended to read:

18 475B.600. As used in ORS 475B.600 to 475B.655:

19 (1) “Cannabinoid” means any of the chemical compounds that are the active constituents of
20 marijuana.

21 (2) “Cannabinoid concentrate or extract” means a substance obtained by separating
22 cannabinoids from marijuana by a mechanical, chemical or other process.

23 (3) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate or
24 extract or the dried leaves or flowers of marijuana have been incorporated.

25 (4)(a) “Cannabinoid product” means a cannabinoid edible or any other product intended for hu-
26 man consumption or use, including a product intended to be applied to a person’s skin or hair, that
27 contains cannabinoids or the dried leaves or flowers of marijuana.

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

29 (A) Usable marijuana by itself;

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

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

32 (5)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant
33 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

34 (b) “Marijuana” does not include:

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

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

39 (6) “Marijuana item” means marijuana, usable marijuana, a cannabinoid product or a
40 cannabinoid concentrate or extract.

41 (7) “Processing” means the compounding or conversion of marijuana into cannabinoid products
42 or cannabinoid concentrates or extracts.

43 (8) “Producing” means:

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

45 (b) Drying marijuana leaves and flowers.

1 (9)(a) “Usable marijuana” means the dried leaves and flowers of marijuana.

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

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

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

5 **SECTION 35.** ORS 475B.791 is amended to read:

6 475B.791. As used in ORS 475B.785 to 475B.949:

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

9 (2) “Cannabinoid” means any of the chemical compounds that are the active constituents of
10 marijuana.

11 (3) “Cannabinoid concentrate” means a substance obtained by separating cannabinoids from
12 marijuana by:

13 (a) A mechanical extraction process;

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

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

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

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

22 (5) “Cannabinoid extract” means a substance obtained by separating cannabinoids from
23 marijuana by:

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

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

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

30 (6) “Debilitating medical condition” means:

31 (a) Cancer, glaucoma, a degenerative or pervasive neurological condition, positive status for
32 human immunodeficiency virus or acquired immune deficiency syndrome, or a side effect related to
33 the treatment of those medical conditions;

34 (b) A medical condition or treatment for a medical condition that produces, for a specific pa-
35 tient, one or more of the following:

36 (A) Cachexia;

37 (B) Severe pain;

38 (C) Severe nausea;

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

40 (E) Persistent muscle spasms, including spasms caused by multiple sclerosis;

41 (c) Post-traumatic stress disorder; or

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

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

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

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

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

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

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

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

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

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

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

15 (b) “Marijuana” does not include:

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

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

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

22 (13) “Marijuana processing site” means a marijuana processing site registered under ORS
 23 475B.840 or a site for which an applicant has submitted an application for registration under ORS
 24 475B.840.

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

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

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

31 (A) Usable marijuana by itself;

32 (B) A cannabinoid concentrate by itself;

33 (C) A cannabinoid extract by itself; or

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

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

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

41 (18) “Person designated to produce marijuana by a registry identification cardholder” means a
 42 person designated to produce marijuana by a registry identification cardholder under ORS 475B.810
 43 who produces marijuana for a registry identification cardholder at an address other than the address
 44 where the registry identification cardholder resides or at an address where more than 12 mature
 45 marijuana plants are produced.

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

3 (20) "Production" means:

- 4 (a) Planting, cultivating, growing, trimming or harvesting marijuana; or
- 5 (b) Drying marijuana leaves or flowers.

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

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

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

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

- 14 (A) The seeds, stalks and roots of marijuana; or
- 15 (B) Waste material that is a by-product of producing marijuana.

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

18 **SECTION 36. (1) The amendments to ORS 475B.015, 475B.227, 475B.253, 475B.254, 475B.311,**
19 **475B.550, 475B.600 and 475B.791 by sections 28 to 35 of this 2021 Act become operative on**
20 **January 1, 2022.**

21 **(2) The Oregon Health Authority and the Oregon Liquor Control Commission may take**
22 **any action before the operative date specified in subsection (1) of this section that is neces-**
23 **sary to enable the authority and the commission to exercise, on and after the operative date**
24 **specified in subsection (1) of this section, all of the duties, functions and powers conferred**
25 **on the authority and commission by the amendments to ORS 475B.015, 475B.227, 475B.253,**
26 **475B.254, 475B.311, 475B.550, 475B.600 and 475B.791 by sections 28 to 35 of this 2021 Act.**

27
28 **EXPENDITURE LIMITATION**

29
30 **SECTION 37. Notwithstanding any other law limiting expenditures, the limitation on**
31 **expenditures established by section 2 (3), chapter 452, Oregon Laws 2019, for the biennium**
32 **ending June 30, 2021, as the maximum limit for payments of expenses from fees, moneys or**
33 **other revenues, including Miscellaneous Receipts, and including federal funds for contract**
34 **services, but excluding lottery funds and federal funds not described in section 2, chapter 452,**
35 **Oregon Laws 2019, collected or received by the State Department of Agriculture, for natural**
36 **resources, is increased by \$_____ for implementation of the Oregon Hemp State Program.**

37
38 **UNIT CAPTIONS**

39
40 **SECTION 38. The unit captions used in this 2021 Act are provided only for the conven-**
41 **ience of the reader and do not become part of the statutory law of this state or express any**
42 **legislative intent in the enactment of this 2021 Act.**

43
44 **EFFECTIVE DATE**

1 **SECTION 39.** This 2021 Act takes effect on the 91st day after the date on which the 2021
2 regular session of the Eighty-first Legislative Assembly adjourns sine die.
3 _____