

HB 2281-A8
(LC 1753)
5/12/21 (SCT/ps)

Requested by HOUSE COMMITTEE ON RULES (at the request of Representative Barbara Smith Warner)

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 2281**

1 On page 1 of the printed A-engrossed bill, line 4, after “571.333,” insert
2 “571.336.”

3 Delete line 5 and insert “571.348; repealing ORS 571.341; and prescribing
4 an effective date.”

5 Delete lines 7 through 25 and delete pages 2 through 19 and insert:
6

7 **“OREGON HEMP STATE PROGRAM**

8

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

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

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

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

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

1 “(c) If the applicant is a corporation, each director and officer of
2 the corporation;

3 “(d) Any individual who is a partner, member, director or officer
4 of an entity with a financial interest in the applicant; and

5 “(e) Other key participants with the applicant, as identified by the
6 department by rule.

7 “(3) ORS 181A.195 (10) does not apply to the department for purposes
8 of conducting a criminal records check under this section.

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

10 “(a) If a person has been convicted of a felony related to a con-
11 trolled substance under state or federal law, the person is ineligible for
12 a license under ORS 571.281 to grow hemp issued by the State Depart-
13 ment of Agriculture for 10 years following the date of the person’s
14 conviction.

15 “(b) If a licensee or an applicant, or a person related to the appli-
16 cant as described in section 2 (2)(e) of this 2021 Act, is convicted of a
17 felony related to a controlled substance under state or federal law, the
18 department may deny, revoke or refuse to renew a grower license un-
19 der ORS 571.281 during the 10 years following the date of conviction.

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

22 “SECTION 4. Section 3 of this 2021 Act applies to convictions before,
23 on and after October 31, 2019.

24 “SECTION 5. The Legislative Assembly finds and declares that the
25 development and administration of the Oregon Hemp State Program
26 described in ORS 571.263 will move the State of Oregon and its resi-
27 dents to the forefront of the hemp industry.

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

30 “(a) A person licensed under ORS 571.281 or a laboratory licensed

1 under ORS 475B.560 hemp or a hemp commodity that contains no more
2 tetrahydrocannabinol than allowed by the State Department of Agri-
3 culture by rule if the hemp or hemp used in the hemp commodity
4 originated from a crop inspected under ORS 571.281 (7) that was found
5 to not contain an average tetrahydrocannabinol concentration ex-
6 ceeding the concentration specified by the department by rule.

7 “(b) A person licensed under ORS 475B.090, 475B.100 or 475B.105
8 hemp or a hemp commodity or product that contains no more
9 tetrahydrocannabinol than allowed by the Oregon Liquor Control
10 Commission by rule if the hemp or hemp used in the hemp commodity
11 originated from a crop inspected under ORS 571.281 (7) that was found
12 to not contain an average tetrahydrocannabinol concentration ex-
13 ceeding the concentration specified by the department by rule.

14 “(2) Hemp or a hemp commodity transported or received as de-
15 scribed in this section may not be considered a ‘marijuana item.’

16 “SECTION 7. ORS 571.260 is amended to read:

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

20 “SECTION 8. ORS 571.263 is amended to read:

21 “571.263. The State Department of Agriculture shall administer an Oregon
22 [*Industrial Hemp Agricultural Pilot Program for the purpose of studying the*
23 *growth, cultivation and marketing of industrial hemp in this state. In carrying*
24 *out the program, the department:*] **Hemp State Program for the pro-**
25 **duction, processing and sale of hemp in this state. In carrying out the**
26 **program, the department:**

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

28 “(2)(a) Shall adopt rules to implement a state plan for the pro-
29 duction of hemp in accordance with the Agriculture Improvement Act
30 of 2018 (P.L. 115-334) and subsequent federal law. The rules adopted

1 **under this subsection must conform to, and not be more restrictive**
2 **than, the rules related to hemp promulgated by the United States De-**
3 **partment of Agriculture.**

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

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

10 “[2] (3) Shall adopt by rule any record keeping and reporting require-
11 ments necessary to administer the program[;].

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

16 “[4] (5) May exercise any other power or perform any other function
17 necessary to administer the program.

18 **“SECTION 9.** ORS 571.269 is amended to read:

19 “571.269. As used in ORS 571.260 to 571.348:

20 “(1) ‘Agricultural hemp seed’ means Cannabis seed:

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

23 “(b) That remains in an unprocessed or partially processed condition that
24 is capable of germination.

25 **“(2) ‘Consumption’ means ingestion or inhalation or topical appli-**
26 **cation to the skin or hair.**

27 “[2] (3) ‘Crop’ means [*industrial*] hemp grown under a single
28 [*registration*] **license.**

29 “[3] (4) ‘Grower’ means a person, joint venture or cooperative that
30 produces [*industrial*] hemp.

1 “[(4)] (5) ‘Handler’ means a person, joint venture or cooperative that re-
2 ceives [*industrial*] hemp for processing into commodities, products or agri-
3 cultural hemp seed **and any other activities identified by the State**
4 **Department of Agriculture by rule.**

5 “[5] ‘*Industrial hemp*’:]

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

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

20 “(6) ‘Hemp’ means the plant species *Cannabis sativa* that:

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

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

24 “[6] (7) ‘[*Industrial*] Hemp concentrate’ means [*an industrial*] a hemp
25 product obtained by separating cannabinoids from [*industrial*] hemp by:

26 “(a) A mechanical process;

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

30 “(c) A chemical extraction process using carbon dioxide, provided that the

1 process does not involve the use of high heat or pressure; or

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

3 “[~~(7)~~] **(8)** ‘[*Industrial*] Hemp extract’ means [*an industrial*] a hemp product
4 obtained by separating cannabinoids from [*industrial*] hemp by:

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

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

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

10 “**(9) ‘Licensee’ means a grower, handler, agricultural hemp seed
11 producer or other person licensed under ORS 571.281.**

12 “**SECTION 10.** ORS 571.272 is amended to read:

13 “571.272. (1) [*Industrial*] Hemp is an agricultural product that is subject
14 to regulation by the State Department of Agriculture.

15 “(2) For purposes of ORS chapter 616, the department may not consider
16 [*industrial*] hemp or [*industrial*] hemp commodities or products to be an
17 adulterant.

18 “**SECTION 11.** ORS 571.275 is amended to read:

19 “571.275. (1) The Oregon Liquor Control Commission may purchase, pos-
20 sess, seize or dispose of [*industrial*] hemp products or commodities located
21 on a premises licensed under ORS 475B.070, 475B.090, 475B.100, 475B.105 or
22 475B.560 or other area under the control of the premises licensee as the
23 commission deems necessary to enforce and ensure compliance with:

24 “(a) ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to
25 475B.655 or rules adopted by the commission relating to ORS 475B.010 to
26 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655; or

27 “(b) Any provision in ORS 571.260 to 571.348 or in rules adopted by the
28 commission or State Department of Agriculture under ORS 571.260 to 571.348
29 that makes a requirement, restriction or other provision of ORS 475B.010 to
30 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655 applicable to [*indus-*

1 *trial*] hemp.

2 “(2) If the commission purchases, possesses, seizes or disposes of [*indus-*
3 *trial*] hemp products or commodities under this section to enforce or ensure
4 compliance with a provision of ORS 571.260 to 571.348 or rule adopted by the
5 department under ORS 571.260 to 571.348 that makes a requirement, re-
6 striction or other provision of ORS 475B.010 to 475B.545, 475B.550 to 475B.590
7 or 475B.600 to 475B.655 applicable to [*industrial*] hemp, the commission shall
8 notify the department of the commission action as soon as practicable.

9 **“SECTION 12.** ORS 571.278 is amended to read:

10 “571.278. There is established in the State Treasury, separate and distinct
11 from the General Fund, the [*Industrial*] Hemp Fund. Interest earned by the
12 fund shall be credited to the fund. The fund shall consist of all moneys
13 credited to or deposited in the fund. Moneys in the fund are continuously
14 appropriated to the State Department of Agriculture for the purposes of im-
15 plementing, administering and enforcing ORS 571.260 to 571.348.

16 **“SECTION 13.** ORS 571.281 is amended to read:

17 “571.281. (1)(a) To grow or handle [*industrial*] hemp, a person must be
18 [*registered with*] **licensed by** the State Department of Agriculture as a
19 grower or handler.

20 **“(b) The department may identify by rule activities related to**
21 **growing or handling hemp in addition to those described in ORS**
22 **571.269, and may require licensure to engage in those activities. The**
23 **department may issue, renew, suspend, revoke or refuse to issue or**
24 **renew a license required pursuant to this subsection.**

25 “(2)(a) Only a grower or handler [*registered*] **licensed** under this section
26 may produce agricultural hemp seed. For a grower or handler to produce
27 agricultural hemp seed, the grower or handler must be [*registered with*] **li-**
28 **icensed by** the department as an agricultural hemp seed producer.

29 “(b) Notwithstanding paragraph (a) of this subsection:

30 “(A) A grower [*registered*] **licensed** under this section that retains agri-

1 cultural hemp seed for the purpose of personally propagating [*industrial*]
2 hemp in a subsequent year is not required to [*register with*] **be licensed by**
3 the department as an agricultural hemp seed producer; and

4 “(B) A grower or handler [*registered*] **licensed** under this section that
5 produces Cannabis seeds that are incapable of germination, or a handler
6 [*registered*] **licensed** under this section that processes Cannabis seeds that
7 are incapable of germination into commodities or products, is not required
8 to [*register with*] **be licensed by** the department as an agricultural hemp
9 seed producer.

10 “(3) An applicant for [*registration*] **a license** under this section must
11 submit to the department, in a form and manner prescribed by the depart-
12 ment, the following information:

13 “(a) The name and address of the applicant;

14 “(b) The name and address of the [*industrial*] hemp operation of the ap-
15 plicant; and

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

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

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

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

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

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

2 “(c) An order issued by the department pursuant to a provision of ORS
3 571.260 to 571.348 or a rule adopted under a provision of ORS 571.260 to
4 571.348.

5 “(7) In addition to any inspection conducted pursuant to ORS 561.275, the
6 department may inspect any crop during the crop’s growth phase and take
7 a representative composite sample for field analysis. If a crop contains an
8 average tetrahydrocannabinol concentration exceeding *[0.3 percent on a dry*
9 *weight basis or a tetrahydrocannabinol concentration exceeding the concen-*
10 *tration allowed under federal law, whichever is greater, the department may*
11 *detain, seize or embargo the crop as]* **the concentration specified by the**
12 **department by rule, the department may detain, seize or embargo the**
13 **crop as** provided under ORS 561.605 to 561.620, subject to any process es-
14 tablished under ORS 571.345.

15 “(8)(a) The department may charge *[growers, handlers and agricultural*
16 *hemp seed producers]* **licensees the following fees in amounts reasonably**
17 **calculated by the department to pay the cost of administering ORS**
18 **571.260 to 571.348:**

19 “(A) Application fees~~[, registration and renewal of registration fees,];~~

20 “(B) **License and license renewal fees;**

21 “(C) Administrative change fees; and

22 “(D) Fees for other services *[in amounts reasonably calculated by the de-*
23 *partment to pay the cost of administering ORS 571.260 to 571.348].*

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

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

29 “**SECTION 14.** ORS 571.285 is amended to read:

30 “571.285. (1) Subject to the provisions of ORS chapter 183, the State De-

1 department of Agriculture may revoke [*the registration of a grower, handler or*
2 *agricultural hemp seed producer*] **a licensee’s license** or refuse to [*register*]
3 **license** or renew the [*registration*] **license** if a [*grower, handler or agricul-*
4 *tural hemp seed producer*] **licensee** violates:

5 “(a) A provision of ORS 571.260 to 571.348;

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

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

10 “(d) Any statutory law or department rule related to agricultural activ-
11 ities other than [*industrial*] hemp operations.

12 “[*(2) The department may not discipline a grower, handler or agricultural*
13 *hemp seed producer under this section on the basis that possessing, delivering*
14 *and manufacturing industrial hemp are prohibited by federal law.*]

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

18 “(a) A provision of ORS 571.260 to 571.348;

19 “(b) A rule adopted pursuant to ORS 571.260 to 571.348; or

20 “(c) An order issued by the department pursuant to ORS 571.260 to
21 571.348 or a rule adopted pursuant to ORS 571.260 to 571.348.

22 “**SECTION 15.** ORS 571.288 is amended to read:

23 “571.288. A grower [*registered*] **licensed** under ORS 571.281 may use any
24 propagation method, including planting seeds or starts or the use of clones
25 or cuttings, to produce [*industrial*] hemp.

26 “**SECTION 16.** ORS 571.294 is amended to read:

27 “571.294. The State Department of Agriculture may charge growers and
28 handlers [*registered*] **licensed** under ORS 571.281 fees reasonably calculated
29 by the department to pay the cost of sampling or testing [*industrial*] hemp
30 or [*industrial*] hemp commodities or products under ORS 571.330 and 571.333.

1 Moneys from fees charged under this section shall be deposited in the [*In-*
2 *dustrial*] Hemp Fund established under ORS 571.278.

3 **“SECTION 17.** ORS 571.302 is amended to read:

4 “571.302. (1) For purposes of ORS 633.511 to 633.750, agricultural hemp
5 seed is an agricultural seed or a flower seed, as those terms are defined in
6 ORS 633.511.

7 “(2) The Director of Agriculture, or the director’s agent, and the Dean
8 of the College of Agricultural Sciences of Oregon State University, or the
9 dean’s agent, shall establish a program for the labeling and certification of
10 agricultural hemp seed. For purposes of the program:

11 “(a) The director and the dean shall perform their respective duties under
12 ORS 633.511 to 633.750 with respect to agricultural hemp seed in the same
13 manner that the director and dean perform their respective duties under ORS
14 633.511 to 633.750 with respect to other agricultural seed or flower seed, in-
15 cluding but not limited to those duties related to labeling, testing and cer-
16 tifying seeds; and

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

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

1 “(4)(a) The director and the dean shall collaborate with growers [*regis-*
2 *tered*] **licensed** under ORS 571.281 in performing their respective duties and
3 exercising their respective functions and powers under ORS 633.511 to
4 633.750 with respect to agricultural hemp seed.

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

8 “(5) The director and the dean may collaborate with entities authorized
9 to certify seeds under the laws of other states in performing their respective
10 duties and exercising their respective functions and powers under ORS
11 633.511 to 633.750 with respect to agricultural hemp seed.

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

15 “(7) The State Department of Agriculture may establish by rule waivers
16 to, or exemptions from, tests that would otherwise be conducted to determine
17 a crop’s average tetrahydrocannabinol concentration for crops planted with
18 agricultural hemp seed varieties certified pursuant to the program described
19 in this section.

20 “**SECTION 18.** ORS 571.327 is amended to read:

21 “571.327. (1) An agricultural hemp seed producer [*registered*] **licensed**
22 under ORS 571.281:

23 “(a) Must sell agricultural hemp seed in a manner that complies with any
24 standard established by the Director of Agriculture under ORS 633.511 to
25 633.750; and

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

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

1 “(3) The State Department of Agriculture shall make available to growers
2 [*registered*] **licensed** under ORS 571.281 information that identifies agricul-
3 tural hemp seed producers [*registered*] **licensed** under ORS 571.281 from
4 whom the growers may purchase agricultural hemp seed.

5 **“SECTION 19.** ORS 571.330 is amended to read:

6 “571.330. [(1) *For purposes of this section, ‘consumption’ means to ingest,*
7 *inhale or topically apply to the skin or hair.*]

8 “[2)(a)] (1)(a) A laboratory licensed by the Oregon Liquor Control Com-
9 mission under ORS 475B.560 and accredited by the Oregon Health Authority
10 pursuant to ORS 475B.565 may test [*industrial*] hemp and [*industrial*] hemp
11 commodities and products produced or processed by a [*grower, handler or*
12 *agricultural hemp seed producer registered under ORS 571.281*] **licensee**.

13 “(b) An accredited independent testing laboratory that has been approved
14 by the authority or the State Department of Agriculture may test
15 [*industrial*] hemp and [*industrial*] hemp commodities and products produced
16 or processed by a [*grower, handler or agricultural hemp seed producer regis-*
17 *tered under ORS 571.281*] **licensee**.

18 “[3)] (2) A grower or handler may not sell or transfer [*an industrial*] a
19 hemp commodity or product that is intended for human consumption unless
20 the commodity or product is tested by a laboratory described in subsection
21 [(2)] (1) of this section to ensure that the commodity or product meets the
22 requirements adopted by the Oregon Health Authority under ORS 475B.555
23 (1)(a) and (b) and (2) for testing marijuana items.

24 “[4)] (3) For purposes of this section, the department shall adopt rules:

25 “(a) Establishing protocols for the testing of [*industrial*] hemp commod-
26 ities and products; and

27 “(b) Establishing procedures for determining batch sizes and for sampling
28 [*industrial*] hemp commodities and products.

29 “[5)] (4) This section does not apply to:

30 “(a) Agricultural hemp seed;

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

3 “(c) Products derived from seeds described in paragraph (b) of this sub-
4 section; or

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

7 **“SECTION 20.** ORS 571.333 is amended to read:

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

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

17 **“SECTION 21.** ORS 571.336 is amended to read:

18 “571.336. (1) As used in this section, ‘licensee,’ ‘marijuana,’ ‘marijuana
19 item’ and ‘marijuana processor’ have the meanings given those terms in ORS
20 475B.015.

21 “(2) A grower [*registered*] **licensed** under ORS 571.281 may deliver [*in-*
22 *dustrial*] hemp, and a handler [*registered*] **licensed** under ORS 571.281 may
23 deliver [*industrial*] hemp concentrates and [*industrial*] hemp extracts, to a
24 marijuana processor that holds a license issued under ORS 475B.090, if:

25 “(a) The grower or handler and the marijuana processor are registered
26 with the Oregon Liquor Control Commission, in a form and manner pre-
27 scribed by the commission, for the purpose of processing [*industrial*] hemp,
28 [*industrial*] hemp concentrates and [*industrial*] hemp extracts;

29 “(b) The marijuana processor is provided with the results of any test
30 conducted on the [*industrial*] hemp, [*industrial*] hemp concentrate or [*indus-*

1 *trial*] hemp extract pursuant to ORS 571.260 to 571.348 as a condition of the
2 marijuana processor's receiving the [*industrial*] hemp, [*industrial*] hemp
3 concentrate or [*industrial*] hemp extract;

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

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

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

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

19 “(4) [*An industrial*] **A** hemp concentrate, [*industrial*] hemp extract, [*in-*
20 *dustrial*] hemp commodity or product or marijuana item processed pursuant
21 to this section may be delivered by a marijuana processor registered under
22 this section to a licensee as described in ORS 475B.206, provided that the
23 [*industrial*] hemp concentrate, [*industrial*] hemp extract, [*industrial*] hemp
24 commodity or product or marijuana item meets any applicable requirement
25 for marijuana items set forth in ORS 475B.010 to 475B.545, 475B.550 to
26 475B.590 and 475B.600 to 475B.655 and rules adopted under ORS 475B.010 to
27 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655.

28 “(5) The commission may impose an annual fee reasonably calculated to
29 not exceed the cost of administering this section on growers registered under
30 this section, handlers registered under this section and marijuana processors

1 registered under this section. Fees collected under this section shall be de-
2 posited in the Marijuana Control and Regulation Fund established under
3 ORS 475B.296. Moneys deposited in the fund pursuant to this subsection are
4 continuously appropriated to the commission for the purpose of administer-
5 ing this section.

6 **“SECTION 22.** ORS 571.337 is amended to read:

7 “571.337. (1) As used in this section:

8 “[*(a)* ‘Consumption’ has the meaning given that term in ORS 571.330.]

9 “[*(b)*] (a) ‘Processor’ means a person licensed under ORS 475B.090.

10 “[*(c)*] (b) ‘Retailer’ means a person licensed under ORS 475B.105.

11 “[*(d)*] (c) ‘Wholesaler’ means a person licensed under ORS 475B.100.

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

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

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

22 “(c) The hemp, commodity or product meets the requirements for
23 marijuana items under ORS 475B.010 to 475B.545, 475B.550 to 475B.590 and
24 475B.600 to 475B.655 and rules adopted by the commission.

25 “(3) A grower, handler or processor registered as described under ORS
26 571.336 (2)(a) shall enter hemp, commodity or product that contains
27 cannabinoids, is intended for human consumption and is intended for trans-
28 fer, sale or transport to a processor, retailer or wholesaler licensed under
29 ORS 475B.010 to 475B.545 into the tracking system described in ORS 475B.177
30 before the hemp, commodity or product is transferred to a laboratory de-

1 scribed in ORS 571.330 [(2)] for testing of a type described under ORS
2 475B.555. The commission shall continue to track the hemp, commodity or
3 product entered into the system under this subsection when the hemp, com-
4 modity or product is transferred, sold or transported to a premises licensed
5 under ORS 475B.010 to 475B.545, or to other areas under the control of the
6 premises licensee.

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

9 “(5) The commission shall adopt rules regarding the activities of process-
10 ors, retailers, wholesalers and laboratories under this section.

11 **“SECTION 23.** ORS 571.339 is amended to read:

12 “571.339. A person may not make a retail sale of [*industrial*] hemp com-
13 modities or products in this state unless the [*industrial*] hemp commodities
14 or products and the [*industrial*] hemp used to process the [*industrial*] hemp
15 commodities or products meet the requirements for processing [*industrial*]
16 hemp commodities or products or growing [*industrial*] hemp set forth in ORS
17 571.260 to 571.348 and rules adopted under ORS 571.260 to 571.348. This sec-
18 tion does not apply to the retail sale of [*industrial*] hemp commodities or
19 products by a marijuana retailer, as defined in ORS 475B.015, that holds a
20 license issued under ORS 475B.105.

21 **“SECTION 24.** ORS 571.345 is amended to read:

22 “571.345. The State Department of Agriculture may by rule or order es-
23 tablish a process providing for the remediation of a violation of ORS 571.330
24 or 571.333 that is committed by a grower or handler [*registered*] **licensed**
25 under ORS 571.281 and is not committed intentionally.

26 **“SECTION 25.** ORS 571.348 is amended to read:

27 “571.348. (1) Subject to the provisions of ORS chapter 183, the State De-
28 partment of Agriculture may impose a civil penalty not to exceed \$2,500 on
29 a person for violating:

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

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

2 “(c) An order issued by the department pursuant to a provision of ORS
3 571.260 to 571.348 or a rule adopted under a provision of ORS 571.260 to
4 571.348.

5 “[~~(2)~~ *The department may not discipline a person under this section on the*
6 *basis that possessing, delivering and manufacturing industrial hemp are pro-*
7 *hibited by federal law.*]

8 “[~~(3)~~] **(2)** All moneys collected by the department under this section shall
9 be deposited in the General Fund in the State Treasury to the credit of the
10 [~~Industrial~~] Hemp Fund established under ORS 571.278.

11 **“SECTION 26. The State Department of Agriculture shall issue a**
12 **license to grow or handle hemp under ORS 571.281 on the date the**
13 **previous registration is due for renewal to a grower or handler who:**

14 **“(1) Registered under ORS 571.281 on or before the operative date**
15 **specified in section 28 of this 2021 Act; and**

16 **“(2) Meets the requirements for registration renewal.**

17 **“SECTION 27. ORS 571.341 is repealed.**

18 **“SECTION 28. (1) Sections 2, 3, 5, 6 and 26 of this 2021 Act, the**
19 **amendments to ORS 571.260, 571.263, 571.269, 571.272, 571.275, 571.278,**
20 **571.281, 571.285, 571.288, 571.294, 571.302, 571.327, 571.330, 571.333, 571.336,**
21 **571.337, 571.339, 571.345 and 571.348 by sections 7 to 25 of this 2021 Act**
22 **and the repeal of ORS 571.341 by section 27 of this 2021 Act become**
23 **operative on January 1, 2022.**

24 **“(2) The Oregon Health Authority, the Oregon Liquor Control**
25 **Commission and the State Department of Agriculture may take any**
26 **action before the operative date specified in subsection (1) of this sec-**
27 **tion that is necessary to enable the authority, the commission and the**
28 **department to exercise, on and after the operative date specified in**
29 **subsection (1) of this section, all of the duties, functions and powers**
30 **conferred on the authority, the commission and the department by**

1 sections 2, 3, 5 and 26 of this 2021 Act, the amendments to ORS 571.260,
2 571.263, 571.269, 571.272, 571.275, 571.278, 571.281, 571.285, 571.288, 571.294,
3 571.302, 571.327, 571.330, 571.333, 571.336, 571.337, 571.339, 571.345 and
4 571.348 by sections 7 to 25 of this 2021 Act and the repeal of ORS 571.341
5 by section 27 of this 2021 Act.

6
7 **“CONFORMING AMENDMENTS**

8
9 **“SECTION 29.** ORS 475B.015 is amended to read:

10 “475B.015. As used in ORS 475B.010 to 475B.545:

11 “(1) ‘Cannabinoid’ means any of the chemical compounds that are the
12 active constituents derived from marijuana.

13 “(2) ‘Cannabinoid concentrate’ means a substance obtained by separating
14 cannabinoids from marijuana by:

15 “(a) A mechanical extraction process;

16 “(b) A chemical extraction process using a nonhydrocarbon-based solvent,
17 such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl al-
18 cohol or ethanol;

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

21 “(d) Any other process identified by the Oregon Liquor Control Commis-
22 sion, in consultation with the Oregon Health Authority, by rule.

23 “(3) ‘Cannabinoid edible’ means food or potable liquid into which a
24 cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or
25 flowers have been incorporated.

26 “(4) ‘Cannabinoid extract’ means a substance obtained by separating
27 cannabinoids from marijuana by:

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

30 “(b) A chemical extraction process using carbon dioxide, if the process

1 uses high heat or pressure; or

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

4 “(5)(a) ‘Cannabinoid product’ means a cannabinoid edible and any other
5 product intended for human consumption or use, including a product in-
6 tended to be applied to the skin or hair, that contains cannabinoids or dried
7 marijuana leaves or flowers.

8 “(b) ‘Cannabinoid product’ does not include:

9 “(A) Usable marijuana by itself;

10 “(B) A cannabinoid concentrate by itself;

11 “(C) A cannabinoid extract by itself; or

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

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

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

18 “(8) ‘Designated primary caregiver’ has the meaning given that term in
19 ORS 475B.791.

20 “(9)(a) ‘Financial consideration’ means value that is given or received ei-
21 ther directly or indirectly through sales, barter, trade, fees, charges, dues,
22 contributions or donations.

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

26 “(10) ‘Homegrown’ means grown by a person 21 years of age or older for
27 noncommercial purposes.

28 “(11) ‘Household’ means a housing unit and any place in or around a
29 housing unit at which the occupants of the housing unit are producing,
30 processing, possessing or storing homegrown marijuana, cannabinoid pro-

1 ducts, cannabinoid concentrates or cannabinoid extracts.

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

7 “(13) ‘Immature marijuana plant’ means a marijuana plant that is not
8 flowering.

9 “(14) ‘Licensee’ means a person that holds a license issued under ORS
10 475B.070, 475B.090, 475B.100 or 475B.105.

11 “(15) ‘Licensee representative’ means an owner, director, officer, manager,
12 employee, agent or other representative of a licensee, to the extent that the
13 person acts in a representative capacity.

14 “(16)(a) ‘Manufacture’ means producing, propagating, preparing, com-
15 pounding, converting or processing a marijuana item, either directly or in-
16 directly, by extracting from substances of natural origin.

17 “(b) ‘Manufacture’ includes any packaging or repackaging of a marijuana
18 item or the labeling or relabeling of a container containing a marijuana
19 item.

20 “(17)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae, any
21 part of the plant Cannabis family Cannabaceae and marijuana seeds.

22 “(b) ‘Marijuana’ does not include:

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

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

28 “(18) ‘Marijuana flowers’ means the flowers of the plant genus Cannabis
29 within the plant family Cannabaceae.

30 “(19) ‘Marijuana items’ means marijuana, cannabinoid products,

1 cannabinoid concentrates and cannabinoid extracts.

2 “(20) ‘Marijuana leaves’ means the leaves of the plant genus Cannabis
3 within the plant family Cannabaceae.

4 “(21) ‘Marijuana processor’ means a person that processes marijuana
5 items in this state.

6 “(22) ‘Marijuana producer’ means a person that produces marijuana in
7 this state.

8 “(23) ‘Marijuana retailer’ means a person that sells marijuana items to a
9 consumer in this state.

10 “(24)(a) ‘Marijuana seeds’ means the seeds of the plant Cannabis family
11 Cannabaceae.

12 “(b) ‘Marijuana seeds’ does not include the seeds of [*industrial*] hemp, as
13 defined in ORS 571.269.

14 “(25) ‘Marijuana wholesaler’ means a person that purchases marijuana
15 items in this state for resale to a person other than a consumer.

16 “(26) ‘Mature marijuana plant’ means a marijuana plant that is not an
17 immature marijuana plant.

18 “(27) ‘Medical grade cannabinoid product, cannabinoid concentrate or
19 cannabinoid extract’ means a cannabinoid product, cannabinoid concentrate
20 or cannabinoid extract that has a concentration of tetrahydrocannabinol that
21 is permitted under ORS 475B.625 in a single serving of the cannabinoid
22 product, cannabinoid concentrate or cannabinoid extract for consumers who
23 hold a valid registry identification card issued under ORS 475B.797.

24 “(28) ‘Medical purpose’ means a purpose related to using usable
25 marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid
26 extracts to mitigate the symptoms or effects of a debilitating medical condi-
27 tion, as defined in ORS 475B.791.

28 “(29) ‘Noncommercial’ means not dependent or conditioned upon the pro-
29 vision or receipt of financial consideration.

30 “(30)(a) ‘Premises’ includes the following areas of a location licensed un-

1 der ORS 475B.010 to 475B.545:

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

5 “(B) All areas outside a building that the commission has specifically li-
6 censed for the processing, wholesale sale or retail sale of marijuana items;
7 and

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

11 “(b) ‘Premises’ does not include a primary residence.

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

15 “(b) ‘Processes’ does not include packaging or labeling.

16 “(32)(a) ‘Produces’ means the manufacture, planting, cultivation, growing
17 or harvesting of marijuana.

18 “(b) ‘Produces’ does not include:

19 “(A) The drying of marijuana by a marijuana processor, if the marijuana
20 processor is not otherwise producing marijuana; or

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

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

27 “(34) ‘Public place’ means a place to which the general public has access
28 and includes, but is not limited to, hallways, lobbies and other parts of
29 apartment houses and hotels not constituting rooms or apartments designed
30 for actual residence, and highways, streets, schools, places of amusement,

1 parks, playgrounds and areas used in connection with public passenger
2 transportation.

3 “(35) ‘Registry identification cardholder’ has the meaning given that term
4 in ORS 475B.791.

5 “(36)(a) ‘Usable marijuana’ means the dried leaves and flowers of
6 marijuana.

7 “(b) ‘Usable marijuana’ does not include:

8 “(A) Marijuana seeds;

9 “(B) The stalks and roots of marijuana; or

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

12 **“SECTION 30.** ORS 475B.227 is amended to read:

13 “475B.227. (1) For purposes of this section:

14 “(a) ‘Export’ includes placing a marijuana item in any mode of transpor-
15 tation for hire, such as luggage, mail or parcel delivery, even if the trans-
16 portation of the marijuana item is intercepted prior to the marijuana item
17 leaving this state.

18 “(b) ‘Marijuana item’ includes [*industrial*] hemp products and commodities
19 that contain more than 0.3 percent tetrahydrocannabinol.

20 “(2) A person may not import marijuana items into this state or export
21 marijuana items from this state.

22 “(3) Except as provided in subsection (4) of this section, a violation of this
23 section is a Class B violation.

24 “(4) A violation of this section is a:

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

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

28 “(B) Concerns an amount of marijuana items that exceeds the applicable
29 maximum amount specified in ORS 475B.337 (1)(a) to (f).

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

1 “(A) Is for consideration and the person holds a license issued under ORS
2 475B.070, 475B.090, 475B.100 or 475B.105;

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

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

7 **“SECTION 31.** ORS 475B.253 is amended to read:

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

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

14 “(3) The Oregon Liquor Control Commission may inspect the premises of
15 a marijuana retailer that holds a license issued under ORS 475B.105 to en-
16 sure compliance with this section.

17 **“SECTION 32.** ORS 475B.254 is amended to read:

18 “475B.254. (1) As used in this section:

19 “(a) ‘Consumer’ means a person who purchases, acquires, owns, holds or
20 uses marijuana items other than for the purpose of resale.

21 “(b) ‘Marijuana item’ includes [*industrial*] hemp products and commodities
22 that contain more than 0.3 percent tetrahydrocannabinol.

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

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

26 “475B.311. (1) A person other than a marijuana processor that holds a li-
27 cense issued under ORS 475B.090 **or a handler licensed under ORS 571.281**
28 **to process hemp** may not process cannabinoid extracts into a cannabinoid
29 product.

30 “(2) A person may not produce, process or store homemade [*industrial*]

1 hemp extracts.

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

3 **“SECTION 34.** ORS 475B.550 is amended to read:

4 “475B.550. As used in ORS 475B.550 to 475B.590:

5 “(1) ‘Cannabinoid’ means any of the chemical compounds that are the
6 active constituents of marijuana.

7 “(2) ‘Cannabinoid concentrate or extract’ means a substance obtained by
8 separating cannabinoids from marijuana by a mechanical, chemical or other
9 process.

10 “(3) ‘Cannabinoid edible’ means food or potable liquid into which a
11 cannabinoid concentrate or extract or the dried leaves or flowers of
12 marijuana have been incorporated.

13 “(4)(a) ‘Cannabinoid product’ means a cannabinoid edible or any other
14 product intended for human consumption or use, including a product in-
15 tended to be applied to a person’s skin or hair, that contains cannabinoids
16 or the dried leaves or flowers of marijuana.

17 “(b) ‘Cannabinoid product’ does not include:

18 “(A) Usable marijuana by itself;

19 “(B) A cannabinoid concentrate or extract by itself; or

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

21 “(5)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae, any
22 part of the plant Cannabis family Cannabaceae and the seeds of the plant
23 Cannabis family Cannabaceae.

24 “(b) ‘Marijuana’ does not include:

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

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

30 “(6) ‘Marijuana item’ means marijuana, usable marijuana, a cannabinoid

1 product or a cannabinoid concentrate or extract.

2 “(7) ‘Processing’ means the compounding or conversion of marijuana into
3 cannabinoid products or cannabinoid concentrates or extracts.

4 “(8) ‘Producing’ means:

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

6 “(b) Drying marijuana leaves and flowers.

7 “(9)(a) ‘Usable marijuana’ means the dried leaves and flowers of
8 marijuana.

9 “(b) ‘Usable marijuana’ does not include:

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

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

13 **“SECTION 35.** ORS 475B.600 is amended to read:

14 “475B.600. As used in ORS 475B.600 to 475B.655:

15 “(1) ‘Cannabinoid’ means any of the chemical compounds that are the
16 active constituents of marijuana.

17 “(2) ‘Cannabinoid concentrate or extract’ means a substance obtained by
18 separating cannabinoids from marijuana by a mechanical, chemical or other
19 process.

20 “(3) ‘Cannabinoid edible’ means food or potable liquid into which a
21 cannabinoid concentrate or extract or the dried leaves or flowers of
22 marijuana have been incorporated.

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

27 “(b) ‘Cannabinoid product’ does not include:

28 “(A) Usable marijuana by itself;

29 “(B) A cannabinoid concentrate or extract by itself; or

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

1 “(5)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae, any
2 part of the plant Cannabis family Cannabaceae and the seeds of the plant
3 Cannabis family Cannabaceae.

4 “(b) ‘Marijuana’ does not include:

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

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

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

12 “(7) ‘Processing’ means the compounding or conversion of marijuana into
13 cannabinoid products 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
18 marijuana.

19 “(b) ‘Usable marijuana’ does not include:

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

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

23 **“SECTION 36.** ORS 475B.791 is amended to read:

24 “475B.791. As used in ORS 475B.785 to 475B.949:

25 “(1) ‘Attending physician’ means a physician licensed under ORS chapter
26 677 who has primary responsibility for the care and treatment of a person
27 diagnosed with a debilitating medical condition.

28 “(2) ‘Cannabinoid’ means any of the chemical compounds that are the
29 active constituents of marijuana.

30 “(3) ‘Cannabinoid concentrate’ means a substance obtained by separating

1 cannabinoids from marijuana by:

2 “(a) A mechanical extraction process;

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

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

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

11 “(4) ‘Cannabinoid edible’ means food or potable liquid into which a
12 cannabinoid concentrate, cannabinoid extract or dried leaves or flowers of
13 marijuana have been incorporated.

14 “(5) ‘Cannabinoid extract’ means a substance obtained by separating
15 cannabinoids from marijuana by:

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

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

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

22 “(6) ‘Debilitating medical condition’ means:

23 “(a) Cancer, glaucoma, a degenerative or pervasive neurological condi-
24 tion, positive status for human immunodeficiency virus or acquired immune
25 deficiency syndrome, or a side effect related to the treatment of those med-
26 ical conditions;

27 “(b) A medical condition or treatment for a medical condition that
28 produces, for a specific patient, one or more of the following:

29 “(A) Cachexia;

30 “(B) Severe pain;

1 “(C) Severe nausea;

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

3 “(E) Persistent muscle spasms, including spasms caused by multiple

4 sclerosis;

5 “(c) Post-traumatic stress disorder; or

6 “(d) Any other medical condition or side effect related to the treatment

7 of a medical condition adopted by the Oregon Health Authority by rule or

8 approved by the authority pursuant to a petition filed under ORS 475B.946.

9 “(7)(a) ‘Delivery’ has the meaning given that term in ORS 475.005.

10 “(b) ‘Delivery’ does not include transfer of marijuana by a registry iden-

11 tification cardholder to another registry identification cardholder if no con-

12 sideration is paid for the transfer.

13 “(8)(a) ‘Designated primary caregiver’ means an individual:

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

15 “(B) Who has significant responsibility for managing the well-being of a

16 person who has been diagnosed with a debilitating medical condition; and

17 “(C) Who is designated as the person responsible for managing the well-

18 being of a person who has been diagnosed with a debilitating medical con-

19 dition on that person’s application for a registry identification card or in

20 other written notification submitted to the authority.

21 “(b) ‘Designated primary caregiver’ does not include a person’s attending

22 physician.

23 “(9) ‘High heat’ means a temperature exceeding 180 degrees.

24 “(10) ‘Immature marijuana plant’ means a marijuana plant that is not

25 flowering.

26 “(11)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae, any

27 part of the plant Cannabis family Cannabaceae and the seeds of the plant

28 Cannabis family Cannabaceae.

29 “(b) ‘Marijuana’ does not include:

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

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

5 “(12) ‘Marijuana grow site’ means a location registered under ORS
6 475B.810 where marijuana is produced for use by a registry identification
7 cardholder.

8 “(13) ‘Marijuana processing site’ means a marijuana processing site reg-
9 istered under ORS 475B.840 or a site for which an applicant has submitted
10 an application for registration under ORS 475B.840.

11 “(14) ‘Mature marijuana plant’ means a marijuana plant that is not an
12 immature marijuana plant.

13 “(15)(a) ‘Medical cannabinoid product’ means a cannabinoid edible and
14 any other product intended for human consumption or use, including a
15 product intended to be applied to a person’s skin or hair, that contains
16 cannabinoids or dried leaves or flowers of marijuana.

17 “(b) ‘Medical cannabinoid product’ does not include:

18 “(A) Usable marijuana by itself;

19 “(B) A cannabinoid concentrate by itself;

20 “(C) A cannabinoid extract by itself; or

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

22 “(16) ‘Medical marijuana dispensary’ means a medical marijuana
23 dispensary registered under ORS 475B.858 or a site for which an applicant
24 has submitted an application for registration under ORS 475B.858.

25 “(17) ‘Medical use of marijuana’ means the production, processing, pos-
26 session, delivery or administration of marijuana, or use of paraphernalia
27 used to administer marijuana, to mitigate the symptoms or effects of a de-
28 bilitating medical condition.

29 “(18) ‘Person designated to produce marijuana by a registry identification
30 cardholder’ means a person designated to produce marijuana by a registry

1 identification cardholder under ORS 475B.810 who produces marijuana for a
2 registry identification cardholder at an address other than the address where
3 the registry identification cardholder resides or at an address where more
4 than 12 mature marijuana plants are produced.

5 “(19) ‘Process’ means the compounding or conversion of marijuana into
6 medical cannabinoid products, cannabinoid concentrates or cannabinoid ex-
7 tracts.

8 “(20) ‘Production’ means:

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

10 “(b) Drying marijuana leaves or flowers.

11 “(21) ‘Registry identification card’ means a document issued by the
12 Oregon Health Authority under ORS 475B.797 that identifies a person au-
13 thorized to engage in the medical use of marijuana and, if the person has a
14 designated primary caregiver under ORS 475B.804, the person’s designated
15 primary caregiver.

16 “(22) ‘Registry identification cardholder’ means a person to whom a reg-
17 istry identification card has been issued under ORS 475B.797.

18 “(23)(a) ‘Usable marijuana’ means the dried leaves and flowers of
19 marijuana.

20 “(b) ‘Usable marijuana’ does not include:

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

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

23 “(24) ‘Written documentation’ means a statement signed by the attending
24 physician of a person diagnosed with a debilitating medical condition or
25 copies of the person’s relevant medical records.

26 **“SECTION 37. (1) The amendments to ORS 475B.015, 475B.227,**
27 **475B.253, 475B.254, 475B.311, 475B.550, 475B.600 and 475B.791 by sections**
28 **29 to 36 of this 2021 Act become operative on January 1, 2022.**

29 **“(2) The Oregon Health Authority and the Oregon Liquor Control**
30 **Commission may take any action before the operative date specified**

1 in subsection (1) of this section that is necessary to enable the au-
2 thority and the commission to exercise, on and after the operative
3 date specified in subsection (1) of this section, all of the duties, func-
4 tions and powers conferred on the authority and commission by the
5 amendments to ORS 475B.015, 475B.227, 475B.253, 475B.254, 475B.311,
6 475B.550, 475B.600 and 475B.791 by sections 29 to 36 of this 2021 Act.

7
8 **“COMMERCIAL HEMP SHIPMENTS**

9
10 **“SECTION 38.** Unless the tracking of commercial hemp shipments
11 occurs through a federal or state system, the State Department of
12 Agriculture shall establish by rule requirements for a shipment mani-
13 fest for commercial hemp shipments. In adopting rules under this
14 section, the department may define ‘commercial hemp shipment’ and
15 ‘shipment manifest.’

16 **“SECTION 39.** (1) Section 38 of this 2021 Act becomes operative on
17 January 1, 2022.

18 **“(2)** The State Department of Agriculture may take any action be-
19 fore the operative date specified in subsection (1) of this section that
20 is necessary to enable the department to exercise, on and after the
21 operative date specified in subsection (1) of this section, all of the du-
22 ties, functions and powers conferred on the department by section 38
23 of this 2021 Act.

24
25 **“UNIT CAPTIONS**

26
27 **“SECTION 40.** The unit captions used in this 2021 Act are provided
28 only for the convenience of the reader and do not become part of the
29 statutory law of this state or express any legislative intent in the
30 enactment of this 2021 Act.

