

Requested by Representative MORGAN

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 3000**

1 On page 1 of the printed A-engrossed bill, delete line 3 and insert
2 “475B.227, 475B.253, 475B.254, 475B.529, 475B.550, 475B.555, 475B.600,
3 475B.625, 475B.876, 571.260, 571.263, 571.269, 571.272,”.

4 In line 4, delete “51.288” and insert “571.288” and after “571.339,” delete
5 the rest of the line and delete line 5 and insert “571.345 and 571.348 and
6 section 16, chapter 103, Oregon Laws 2018; repealing ORS 571.341; and de-
7 claring an emergency.”.

8 Delete lines 7 through 14 and delete pages 2 through 22 and insert:
9

10 **“STATUTES RELATED TO MARIJUANA**

11
12 **“SECTION 1.** ORS 475B.015 is amended to read:

13 “475B.015. As used in ORS 475B.010 to 475B.545:

14 **“(1) ‘Adult use cannabinoid’ includes, but is not limited to,**
15 **tetrahydrocannabinols, tetrahydrocannabinolic acids that are arti-**
16 **ficially or naturally derived, delta-8-tetrahydrocannabinol,**
17 **delta-9-tetrahydrocannabinol, the optical isomers of**
18 **delta-8-tetrahydrocannabinol or delta-9-tetrahydrocannabinol and any**
19 **artificially derived cannabinoid that is reasonably determined to have**
20 **an intoxicating effect.**

21 **“(2) ‘Adult use cannabis item’ means:**

1 **“(a) A marijuana item; or**
2 **“(b) An industrial hemp commodity or product that exceeds:**
3 **“(A) The concentration of adult use cannabinoids established by the**
4 **Oregon Liquor Control Commission, in consultation with the Oregon**
5 **Health Authority and the State Department of Agriculture, by rule;**
6 **or**
7 **“(B) The greater of:**
8 **“(i) A concentration of more than 0.3 percent total**
9 **delta-9-tetrahydrocannabinol; or**
10 **“(ii) The concentration of total delta-9-tetrahydrocannabinol al-**
11 **lowed under federal law.**
12 **“(3)(a) ‘Artificially derived cannabinoid’ means a chemical sub-**
13 **stance that is created by a chemical reaction that changes the molec-**
14 **ular structure of any chemical substance derived from the plant**
15 **Cannabis family Cannabaceae.**
16 **“(b) ‘Artificially derived cannabinoid’ does not include:**
17 **“(A) A naturally-occurring chemical substance that is separated**
18 **from the plant Cannabis family Cannabaceae by a chemical or me-**
19 **chanical extraction process;**
20 **“(B) Cannabinoids that are produced by decarboxylation from a**
21 **naturally-occurring cannabinoid acid without the use of a chemical**
22 **catalyst; or**
23 **“(C) Any other chemical substance identified by the commission, in**
24 **consultation with the authority and the department, by rule.**
25 **“[(1)] (4) ‘Cannabinoid’ means any of the chemical compounds that are the**
26 **active constituents derived from marijuana.**
27 **“[(2)] (5) ‘Cannabinoid concentrate’ means a substance obtained by sepa-**
28 **rating cannabinoids from marijuana by:**
29 **“(a) A mechanical extraction process;**
30 **“(b) A chemical extraction process using a nonhydrocarbon-based solvent,**

1 such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl al-
2 cohol or ethanol;

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

5 “(d) Any other process identified by the [*Oregon Liquor Control*] commis-
6 sion, in consultation with the [*Oregon Health*] authority, by rule.

7 “[3] (6) ‘Cannabinoid edible’ means food or potable liquid into which a
8 cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or
9 flowers have been incorporated.

10 “[4] (7) ‘Cannabinoid extract’ means a substance obtained by separating
11 cannabinoids from marijuana by:

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

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

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

18 “[5](a) (8)(a) ‘Cannabinoid product’ means a cannabinoid edible and any
19 other product intended for human consumption or use, including a product
20 intended to be applied to the skin or hair, that contains cannabinoids or
21 dried marijuana leaves or flowers.

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

23 “(A) Usable marijuana by itself;

24 “(B) A cannabinoid concentrate by itself;

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

26 “(D) Industrial hemp[, *as defined in ORS 571.269*].

27 “[6] (9) ‘Consumer’ means a person who purchases, acquires, owns, holds
28 or uses marijuana items other than for the purpose of resale.

29 “[7] (10) ‘Deliver’ means the actual, constructive or attempted transfer
30 from one person to another of a marijuana item, whether or not there is an

1 agency relationship.

2 “(11) **‘Delta-9-tetrahydrocannabinol’ or ‘delta-9-THC’ means**
3 **(6aR,10aR)-6,6,9-trimethyl-3-pentyl-6a,7,8,10a-tetrahydro-6H-benzo**
4 **[c]chromen-1-ol.**

5 “(12) **‘Delta-9-tetrahydrocannabinolic acid’ or ‘delta-9-THCA’ means**
6 **(6aR,10aR)-1-hydroxy-6,6,9-trimethyl-3-pentyl-6a,7,8,10a-tetrahyd**
7 **ro-6H-benzo[c]chromene-2-carboxylic acid.**

8 “[8] (13) **‘Designated primary caregiver’** has the meaning given that term
9 in ORS 475B.791.

10 “[9](a) (14)(a) **‘Financial consideration’** means value that is given or
11 received either directly or indirectly through sales, barter, trade, fees,
12 charges, dues, contributions or donations.

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

16 “[10] (15) **‘Homegrown’** means grown by a person 21 years of age or older
17 for noncommercial purposes.

18 “[11] (16) **‘Household’** means a housing unit and any place in or around
19 a housing unit at which the occupants of the housing unit are producing,
20 processing, possessing or storing homegrown marijuana, cannabinoid pro-
21 ducts, cannabinoid concentrates or cannabinoid extracts.

22 “[12] (17) **‘Housing unit’** means a house, an apartment or a mobile home,
23 or a group of rooms or a single room that is occupied as separate living
24 quarters, in which the occupants live and eat separately from any other
25 persons in the building and that has direct access from the outside of the
26 building or through a common hall.

27 “[13] (18) **‘Immature marijuana plant’** means a marijuana plant that is
28 not flowering.

29 “(19) **‘Industrial hemp’** has the meaning given that term in ORS
30 **571.269.**

1 “[14] (20) ‘Licensee’ means a person that holds a license issued under
2 ORS 475B.070, 475B.090, 475B.100 or 475B.105.

3 “[15] (21) ‘Licensee representative’ means an owner, director, officer,
4 manager, employee, agent or other representative of a licensee, to the extent
5 that the person acts in a representative capacity.

6 “[16](a) (22)(a) ‘Manufacture’ means producing, propagating, preparing,
7 compounding, converting or processing a marijuana item, either directly or
8 indirectly, by extracting from substances of natural origin.

9 “(b) ‘Manufacture’ includes any packaging or repackaging of a marijuana
10 item or the labeling or relabeling of a container containing a marijuana
11 item.

12 “[17](a) (23)(a) ‘Marijuana’ means the plant Cannabis family
13 Cannabaceae, any part of the plant Cannabis family Cannabaceae and
14 marijuana seeds.

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
18 those containing one or more cannabinoids, that are approved by the United
19 States Food and Drug Administration and dispensed by a pharmacy, as de-
20 fined in ORS 689.005.

21 “[18] (24) ‘Marijuana flowers’ means the flowers of the plant genus
22 Cannabis within the plant family Cannabaceae.

23 “[19] (25) ‘Marijuana items’ means marijuana, cannabinoid products,
24 cannabinoid concentrates and cannabinoid extracts.

25 “[20] (26) ‘Marijuana leaves’ means the leaves of the plant genus
26 Cannabis within the plant family Cannabaceae.

27 “[21] (27) ‘Marijuana processor’ means:

28 “(a) A person that processes marijuana items in this state[.]; or

29 “(b) **A person that holds a license issued under ORS 475B.090 and**
30 **processes industrial hemp commodities or products pursuant to ORS**

1 **571.336.**

2 “[22] (28) ‘Marijuana producer’ means a person that produces marijuana
3 in this state.

4 “[23] (29) ‘Marijuana retailer’ means a person that sells marijuana items
5 to a consumer in this state.

6 “[24)(a)] (30)(a) ‘Marijuana seeds’ means the seeds of the plant Cannabis
7 family Cannabaceae.

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

10 “[25] (31) ‘Marijuana wholesaler’ means a person that purchases
11 marijuana items in this state for resale to a person other than a consumer.

12 “[26] (32) ‘Mature marijuana plant’ means a marijuana plant that is not
13 an immature marijuana plant.

14 “[27] (33) ‘Medical grade cannabinoid product, cannabinoid concentrate
15 or cannabinoid extract’ means a cannabinoid product, cannabinoid concen-
16 trate or cannabinoid extract that has a concentration of
17 [*tetrahydrocannabinol*] **adult use cannabinoids** that is permitted under ORS
18 475B.625 in a single serving of the cannabinoid product, cannabinoid con-
19 centrate or cannabinoid extract for consumers who hold a valid registry
20 identification card issued under ORS 475B.797.

21 “[28] (34) ‘Medical purpose’ means a purpose related to using usable
22 marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid
23 extracts to mitigate the symptoms or effects of a debilitating medical condi-
24 tion, as defined in ORS 475B.791.

25 “[29] (35) ‘Noncommercial’ means not dependent or conditioned upon the
26 provision or receipt of financial consideration.

27 “[30)(a)] (36)(a) ‘Premises’ includes the following areas of a location li-
28 censed under ORS 475B.010 to 475B.545:

29 “(A) All public and private enclosed areas at the location that are used
30 in the business operated at the location, including offices, kitchens, rest

1 rooms and storerooms;

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

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

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

9 “[31)(a)] **(37)(a)** ‘Processes’ means the processing, compounding or con-
10 version of:

11 “**(A)** Marijuana into cannabinoid products, cannabinoid concentrates or
12 cannabinoid extracts[.]; **or**

13 “**(B)** Pursuant to ORS 571.336, industrial hemp or industrial hemp
14 commodities or products into industrial hemp commodities or products
15 that contain cannabinoids and are intended for human consumption
16 or use.

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

18 “[32)(a)] **(38)(a)** ‘Produces’ means the manufacture, planting, cultivation,
19 growing or harvesting of marijuana.

20 “(b) ‘Produces’ does not include:

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

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

27 “[33)] **(39)** ‘Propagate’ means to grow immature marijuana plants or to
28 breed or produce marijuana seeds.

29 “[34)] **(40)** ‘Public place’ means a place to which the general public has
30 access and includes, but is not limited to, hallways, lobbies and other parts

1 of apartment houses and hotels not constituting rooms or apartments de-
2 signed for actual residence, and highways, streets, schools, places of
3 amusement, parks, playgrounds and areas used in connection with public
4 passenger transportation.

5 “[35] (41) ‘Registry identification cardholder’ has the meaning given that
6 term in ORS 475B.791.

7 “(42) ‘Total delta-9-tetrahydrocannabinol’ or ‘total delta-9-THC’
8 means the sum of the concentration or mass of delta-9-THCA multi-
9 plied by 0.877 plus the concentration or mass of delta-9-THC.

10 “[36)(a)] (43)(a) ‘Usable marijuana’ means the dried leaves and flowers
11 of marijuana.

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

13 “(A) Marijuana seeds;

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

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

17 “**SECTION 2.** ORS 475B.025 is amended to read:

18 “475B.025. (1) The Oregon Liquor Control Commission has the duties,
19 functions and powers specified in ORS 475B.010 to 475B.545 and the powers
20 necessary or proper to enable the commission to carry out the commission’s
21 duties, functions and powers under ORS 475B.010 to 475B.545. The jurisdic-
22 tion, supervision, duties, functions and powers of the commission extend to
23 any person that produces, processes, transports, delivers, sells or purchases
24 a marijuana item in this state. The commission may sue and be sued.

25 “(2) The duties, functions and powers of the commission specified in ORS
26 475B.010 to 475B.545 include the following:

27 “(a) To regulate the production, processing, transportation, delivery, sale
28 and purchase of marijuana items in accordance with the provisions of ORS
29 475B.010 to 475B.545.

30 “(b) To issue, renew, suspend, revoke or refuse to issue or renew licenses

1 for the production, processing or sale of marijuana items, or other licenses
2 related to the consumption of marijuana items, and to permit, in the
3 commission's discretion, the transfer of a license between persons.

4 “(c) To adopt, amend or repeal rules as necessary to carry out the intent
5 and provisions of ORS 475B.010 to 475B.545, including rules that the com-
6 mission considers necessary to protect the public health and safety.

7 “(d) To exercise all powers incidental, convenient or necessary to enable
8 the commission to administer or carry out the provisions of ORS 475B.010
9 to 475B.545 or any other law of this state that charges the commission with
10 a duty, function or power related to marijuana. Powers described in this
11 paragraph include, but are not limited to:

12 “(A) Issuing subpoenas;

13 “(B) Compelling the attendance of witnesses;

14 “(C) Administering oaths;

15 “(D) Certifying official acts;

16 “(E) Taking depositions as provided by law;

17 “(F) Compelling the production of books, payrolls, accounts, papers, re-
18 cords, documents and testimony; and

19 “(G) Establishing fees in addition to the application, licensing and re-
20 newal fees described in ORS 475B.070, 475B.090, 475B.100 and 475B.105, pro-
21 vided that any fee established by the commission is reasonably calculated
22 not to exceed the cost of the activity for which the fee is charged.

23 “(e) To adopt rules regulating and prohibiting advertising marijuana
24 items in a manner:

25 “(A) That is appealing to minors;

26 “(B) That promotes excessive use;

27 “(C) That promotes illegal activity; or

28 “(D) That otherwise presents a significant risk to public health and
29 safety.

30 “(f) To regulate the use of marijuana items for other purposes as deemed

1 necessary or appropriate by the commission.

2 “(g) To establish pilot programs, of not more than three years in duration,
3 to expand access to marijuana for medical use for registry identification
4 cardholders and designated primary caregivers, as defined in ORS 475B.791.

5 “(h) **To regulate the processing, transportation, delivery, sale and**
6 **purchase of artificially derived cannabinoids in accordance with the**
7 **provisions of ORS 475B.010 to 475B.545.**

8 “(3) Fees collected pursuant to subsection (2)(d)(G) of this section shall
9 be deposited in the Marijuana Control and Regulation Fund established un-
10 der ORS 475B.296.

11 “**SECTION 3.** ORS 475B.090 is amended to read:

12 “475B.090. (1) The processing of marijuana items is subject to regulation
13 by the Oregon Liquor Control Commission.

14 “(2) A marijuana processor must have a processor license issued by the
15 commission for the premises at which marijuana items are processed. To hold
16 a processor license under this section, a marijuana processor:

17 “(a) Must apply for a license in the manner described in ORS 475B.040;

18 “(b) Must provide proof that the applicant is 21 years of age or older;

19 “(c) If the marijuana processor processes marijuana extracts[,] **or indus-**
20 **trial hemp extracts, as defined in ORS 571.269,** may not be located in an
21 area zoned exclusively for residential use; and

22 “(d) Must meet the requirements of any rule adopted by the commission
23 under subsection (3) of this section.

24 “(3) The commission shall adopt rules that:

25 “(a) Require a marijuana processor to annually renew a license issued
26 under this section;

27 “(b) Establish application, licensure and renewal of licensure fees for
28 marijuana processors;

29 “(c) Require marijuana processed by a marijuana processor to be tested
30 in accordance with ORS 475B.555;

1 “(d) **Require industrial hemp commodities and products processed**
2 **by a marijuana processor to meet any requirements for industrial**
3 **hemp commodities or products established under ORS 571.260 to 571.348**
4 **or rules adopted under ORS 571.260 to 571.348;**

5 “[(d)] (e) Allow a marijuana processor registered under ORS 475B.139 to
6 process marijuana and usable marijuana into medical grade cannabinoid
7 products, cannabinoid concentrates and cannabinoid extracts in the same
8 manner that rules adopted under ORS 475B.010 to 475B.545 allow a
9 marijuana processor to process marijuana and usable marijuana into general
10 use cannabinoid products, cannabinoid concentrates and cannabinoid ex-
11 tracts, excepting those circumstances where differentiating between the pro-
12 cessing of medical grade cannabinoid products, cannabinoid concentrates and
13 cannabinoid extracts and the processing of general use cannabinoid products,
14 cannabinoid concentrates and cannabinoid extracts is necessary to protect
15 the public health and safety; and

16 “[(e)] (f) Require a marijuana processor to meet any public health and
17 safety standards and industry best practices established by the commission
18 by rule related to:

19 “(A) Cannabinoid edibles;

20 “(B) Cannabinoid concentrates;

21 “(C) Cannabinoid extracts; and

22 “(D) Any other type of cannabinoid product **or industrial hemp com-**
23 **modity or product** identified by the commission by rule.

24 “(4) Fees adopted under subsection (3)(b) of this section:

25 “(a) May not exceed, together with other fees collected under ORS
26 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545; and

27 “(b) Shall be deposited in the Marijuana Control and Regulation Fund
28 established under ORS 475B.296.

29 “**SECTION 4.** ORS 475B.211 is amended to read:

30 “475B.211. Except for a marijuana retailer registered under ORS 475B.146

1 to sell or deliver marijuana items to a registry identification cardholder who
2 is 18 years of age or older **or as allowed pursuant to ORS 475B.785 to**
3 **475B.949**, a [*licensee or licensee representative*] **person** may not sell or deliver
4 [*a marijuana item*] **an adult use cannabis item** to a person under 21 years
5 of age.

6 **“SECTION 5.** ORS 475B.227 is amended to read:

7 **“475B.227.** (1) For purposes of this section:

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

12 **“(b)** ‘Marijuana item’ includes **an** industrial hemp [*products and com-*
13 *modities*] **commodity or product** that [*contain more than 0.3 percent*
14 *tetrahydrocannabinol.*] **exceeds the greater of:**

15 **“(A) A concentration of 0.3 percent total**
16 **delta-9-tetrahydrocannabinol; or**

17 **“(B) The concentration of total delta-9-tetrahydrocannabinol al-**
18 **lowed under federal law.**

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

21 **“(3)** [*Except as provided in subsection (4) of this section,*] A violation of
22 this section is a Class B violation[.], **except:**

23 **“(a) As provided in subsection (4) of this section; or**

24 **“(b) If the item is industrial hemp and does not exceed a total**
25 **delta-9-tetrahydrocannabinol concentration of one percent.**

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

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

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

30 **“(B)** Concerns an amount of marijuana items that exceeds the applicable

1 maximum amount specified in ORS 475B.337 (1)(a) to (f).

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

3 “(A) Is for consideration and the person holds a license issued under ORS
4 475B.070, 475B.090, 475B.100 or 475B.105;

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

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

9 **“SECTION 5a.** ORS 475B.253 is amended to read:

10 “475B.253. [(1) As used in this section, ‘industrial hemp’ has the meaning
11 given that term in ORS 571.269.]

12 “[2)] (1) An industrial hemp product or commodity offered for sale by a
13 marijuana retailer that holds a license issued under ORS 475B.105 must carry
14 a label that clearly identifies whether the product or commodity is derived
15 from hemp or marijuana.

16 “[3)] (2) The Oregon Liquor Control Commission may inspect the prem-
17 ises of a marijuana retailer that holds a license issued under ORS 475B.105
18 to ensure compliance with this section.

19 **“SECTION 6.** ORS 475B.254 is amended to read:

20 “475B.254. (1) As used in this section:

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

23 “(b) ‘Marijuana item’ includes [*industrial hemp products and*
24 *commodities*] **an industrial hemp commodity or product** that [*contain*
25 *more than 0.3 percent tetrahydrocannabinol.*] **exceeds:**

26 **“(A) The concentration of adult use cannabinoids established by the**
27 **Oregon Liquor Control Commission, in consultation with the Oregon**
28 **Health Authority and the State Department of Agriculture, by rule;**
29 **or**

30 **“(B) The greater of:**

1 “(i) A concentration of 0.3 percent total
2 delta-9-tetrahydrocannabinol; or

3 “(ii) The concentration of total delta-9-tetrahydrocannabinol al-
4 lowed under federal law.

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

7 “**SECTION 7.** ORS 475B.529 is amended to read:

8 “475B.529. (1) Notwithstanding the authority granted to the State De-
9 partment of Agriculture under ORS chapters 571, 618 and 633 and ORS
10 632.275 to 632.290, 632.450 to 632.490, 632.516 to 632.625, 632.705 to 632.815,
11 632.835 to 632.850 and 632.900 to 632.985, the department may not exercise
12 authority over marijuana items or a licensee, except that ORS 618.121 to
13 618.161, 618.991, 618.995, 633.311 to 633.479, 633.992 and 633.994 apply to
14 marijuana items or to a licensee.

15 “(2) In exercising its authority under ORS chapter 616, the department
16 may not:

17 “(a) Establish standards for marijuana as a food additive, as defined in
18 ORS 616.205;

19 “(b) Consider marijuana to be an adulterant, unless the concentration of
20 a cannabinoid in a cannabinoid product, cannabinoid concentrate or
21 cannabinoid extract exceeds acceptable levels established by the Oregon
22 Health Authority by rule; or

23 “(c) Apply ORS 616.256, 616.265, 616.270 or 616.275 to cannabinoid edibles
24 or enforce ORS 616.256, 616.265, 616.270 or 616.275 with respect to
25 cannabinoid edibles.

26 “**(3) Subsection (2)(b) of this section does not prohibit the depart-**
27 **ment from considering artificially derived cannabinoids to be**
28 **adulterants.**

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

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

1 “(1) ‘Adult use cannabinoid’ includes, but is not limited to,
2 tetrahydrocannabinols, tetrahydrocannabinolic acids that are arti-
3 ficially or naturally derived, delta-8-tetrahydrocannabinol,
4 delta-9-tetrahydrocannabinol, the optical isomers of
5 delta-8-tetrahydrocannabinol or delta-9-tetrahydrocannabinol and any
6 artificially derived cannabinoid that is reasonably determined to have
7 an intoxicating effect.

8 “(2) ‘Artificially derived cannabinoid’ has the meaning given that
9 term in ORS 475B.015.

10 “[(1)] (3) ‘Cannabinoid’ means any of the chemical compounds that are the
11 active constituents of marijuana.

12 “[(2)] (4) ‘Cannabinoid concentrate or extract’ means a substance obtained
13 by separating cannabinoids from marijuana by a mechanical, chemical or
14 other process.

15 “[(3)] (5) ‘Cannabinoid edible’ means food or potable liquid into which a
16 cannabinoid concentrate or extract or the dried leaves or flowers of
17 marijuana have been incorporated.

18 “[(4)(a)] (6)(a) ‘Cannabinoid product’ means a cannabinoid edible or any
19 other product intended for human consumption or use, including a product
20 intended to be applied to a person’s skin or hair, that contains cannabinoids
21 or the dried leaves or flowers of marijuana.

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

23 “(A) Usable marijuana by itself;

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

25 “(C) Industrial hemp, as defined in ORS 571.269.

26 “[(5)(a)] (7)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae,
27 any part of the plant Cannabis family Cannabaceae and the seeds of the
28 plant 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 “[6] (8) ‘Marijuana item’ means marijuana, usable marijuana, a
6 cannabinoid product or a cannabinoid concentrate or extract.

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

9 “[8] (10) ‘Producing’ means:

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

11 “(b) Drying marijuana leaves and flowers.

12 “[9](a) (11)(a) ‘Usable marijuana’ means the dried leaves and flowers of
13 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
17 marijuana.

18 **“SECTION 9.** ORS 475B.555 is amended to read:

19 “475B.555. (1) As is necessary to protect the public health and safety, and
20 in consultation with the Oregon Liquor Control Commission and the State
21 Department of Agriculture, the Oregon Health Authority shall adopt rules:

22 “(a) Establishing standards for testing marijuana items.

23 “(b) Identifying appropriate tests for marijuana items, depending on the
24 type of marijuana item and the manner in which the marijuana item was
25 produced or processed, that are necessary to protect the public health and
26 safety, including, but not limited to, tests for:

27 “(A) Microbiological contaminants;

28 “(B) Pesticides;

29 “(C) Other contaminants;

30 “(D) Solvents or residual solvents; and

1 “(E) [*Tetrahydrocannabinol*] **Adult use cannabinoid** and cannabidiol
2 concentration.

3 “(c) Establishing procedures for determining batch sizes and for sampling
4 usable marijuana, cannabinoid products and cannabinoid concentrates or
5 extracts.

6 “(d) Establishing different minimum standards for different varieties of
7 usable marijuana and different types of cannabinoid products and
8 cannabinoid concentrates and extracts.

9 “(2) In addition to the testing requirements established under subsection
10 (1) of this section, the authority or the commission may require cannabinoid
11 edibles to be tested in accordance with any applicable law of this state, or
12 any applicable rule adopted under a law of this state, related to the pro-
13 duction and processing of food products or commodities.

14 “(3) In adopting rules under ORS 475B.785 to 475B.949, the authority may
15 require:

16 “(a) A person responsible for a marijuana grow site under ORS 475B.810
17 to test usable marijuana before transferring the usable marijuana to a reg-
18 istrant other than an individual who holds a registry identification card
19 under ORS 475B.797; and

20 “(b) A person processing marijuana to test cannabinoid products or
21 cannabinoid concentrates or extracts before transferring the cannabinoid
22 products or cannabinoid concentrates or extracts to a registrant other than
23 an individual who holds a registry identification card under ORS 475B.797.

24 “(4) In adopting rules under ORS 475B.010 to 475B.545, the commission
25 may require:

26 “(a) A marijuana producer that holds a license under ORS 475B.070 or a
27 marijuana wholesaler that holds a license under ORS 475B.100 to test usable
28 marijuana before selling or transferring the usable marijuana; and

29 “(b) A marijuana processor that holds a license under ORS 475B.090 or a
30 marijuana wholesaler that holds a license under ORS 475B.100 to test

1 cannabinoid products or cannabinoid concentrates or extracts before selling
2 or transferring the cannabinoid products or cannabinoid concentrates or ex-
3 tracts.

4 “(5) The authority and the commission may conduct random testing of
5 marijuana items for the purpose of determining whether a person subject to
6 testing under subsection (3) of this section or a licensee subject to testing
7 under subsection (4) of this section is in compliance with this section.

8 “(6) In adopting rules to implement this section, the authority and com-
9 mission may not require a marijuana item to undergo the same test more
10 than once unless the marijuana item is processed into a different type of
11 marijuana item or the condition of the marijuana item has fundamentally
12 changed.

13 “(7) The testing of marijuana items as required by this section must be
14 conducted by a laboratory licensed by the commission under ORS 475B.560
15 and accredited by the authority under ORS 475B.565.

16 “(8) In adopting rules under subsection (1) of this section, the authority:

17 “(a) Shall consider the cost of a potential testing procedure and how that
18 cost will affect the cost to the ultimate consumer of the marijuana item; and

19 “(b) May not adopt rules that are more restrictive than is reasonably
20 necessary to protect the public health and safety.

21 **“SECTION 10.** ORS 475B.600 is amended to read:

22 “475B.600. As used in ORS 475B.600 to 475B.655:

23 **“(1) ‘Adult use cannabinoid’ includes, but is not limited to,**
24 **tetrahydrocannabinols, tetrahydrocannabinolic acids that are arti-**
25 **ficially or naturally derived, delta-8-tetrahydrocannabinol,**
26 **delta-9-tetrahydrocannabinol, the optical isomers of**
27 **delta-8-tetrahydrocannabinol or delta-9-tetrahydrocannabinol and any**
28 **artificially derived cannabinoid that is reasonably determined to have**
29 **an intoxicating effect.**

30 **“(2) ‘Artificially derived cannabinoid’ has the meaning given that**

1 **term in ORS 475B.015.**

2 “[1] (3) ‘Cannabinoid’ means any of the chemical compounds that are the
3 active constituents of marijuana.

4 “[2] (4) ‘Cannabinoid concentrate or extract’ means a substance obtained
5 by separating cannabinoids from marijuana by a mechanical, chemical or
6 other process.

7 “[3] (5) ‘Cannabinoid edible’ means food or potable liquid into which a
8 cannabinoid concentrate or extract or the dried leaves or flowers of
9 marijuana have been incorporated.

10 “[4](a) (6)(a) ‘Cannabinoid product’ means a cannabinoid edible or any
11 other product intended for human consumption or use, including a product
12 intended to be applied to a person’s skin or hair, that contains cannabinoids
13 or the dried leaves or flowers of marijuana.

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

15 “(A) Usable marijuana by itself;

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

17 “(C) Industrial hemp, as defined in ORS 571.269.

18 “[5](a) (7)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae,
19 any part of the plant Cannabis family Cannabaceae and the seeds of the
20 plant Cannabis family Cannabaceae.

21 “(b) ‘Marijuana’ does not include:

22 “(A) Industrial hemp, as defined in ORS 571.269; or

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

27 “[6] (8) ‘Marijuana item’ means marijuana, usable marijuana, a
28 cannabinoid product or a cannabinoid concentrate or extract.

29 “[7] (9) ‘Processing’ means the compounding or conversion of marijuana
30 into cannabinoid products or cannabinoid concentrates or extracts.

1 “[8] (10) ‘Producing’ means:

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

3 “(b) Drying marijuana leaves and flowers.

4 “(11) **‘Total delta-9-THC’ has the meaning given that term in ORS**
5 **475B.015.**

6 “[9](a) (12)(a) ‘Usable marijuana’ means the dried leaves and flowers of
7 marijuana.

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

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

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

12 **“SECTION 11.** ORS 475B.625 is amended to read:

13 **“475B.625. (1) The Oregon Liquor Control Commission, in consulta-**
14 **tion with the Oregon Health Authority and the State Department of**
15 **Agriculture, shall adopt rules establishing:**

16 “(a) The maximum concentration of [*tetrahydrocannabinol*] **total**
17 **delta-9-THC** that is permitted in a single serving of a cannabinoid product
18 or cannabinoid concentrate or extract;

19 **“(b) The maximum concentration of adult use cannabinoid, any**
20 **other cannabinoid or artificially derived cannabinoid that is permitted**
21 **in a single serving of a cannabinoid product or a cannabinoid concen-**
22 **trate or extract; and**

23 “[*b*] (c) The number of servings that are permitted in a **package of**
24 cannabinoid product or cannabinoid concentrate or extract [*package*].

25 **“(2)(a) In adopting rules under subsection (1)(a) of this section, the [*au-***
26 **thority] commission shall prescribe the different levels of concentration of**
27 [*tetrahydrocannabinol*] **total delta-9-THC, artificially derived**
28 **cannabinoids, adult use cannabinoids or any other cannabinoid** that is
29 permitted in a single serving of a cannabinoid product or cannabinoid con-
30 centrate or extract for:

1 “(A) Consumers who hold a valid registry identification card issued under
2 ORS 475B.797; and

3 “(B) Consumers who do not hold a valid registry identification card issued
4 under ORS 475B.797.

5 “(b) In prescribing the levels of concentration of [*tetrahydrocannabinol*]
6 **total delta-9-THC, artificially derived cannabinoids, adult use**
7 **cannabinoids or any other cannabinoid** that is permitted in a single
8 serving of a cannabinoid product or cannabinoid concentrate or extract for
9 consumers who hold a valid registry identification card issued under ORS
10 475B.797, the [*authority*] **commission** shall consider the appropriate level of
11 concentration necessary to mitigate the symptoms or effects of a debilitating
12 medical condition, as defined in ORS 475B.791.

13 “(3) In adopting rules under ORS 475B.785 to 475B.949, the authority shall
14 require all usable marijuana, cannabinoid products and cannabinoid concen-
15 trates and extracts transferred by a medical marijuana dispensary registered
16 under ORS 475B.858 to meet the concentration standards and [*packaging*]
17 **servings per package** standards adopted by rule pursuant to this section.

18 “(4) In adopting rules under ORS 475B.010 to 475B.545, the [*Oregon Liquor*
19 *Control*] commission shall require all usable marijuana, cannabinoid products
20 and cannabinoid concentrates and extracts sold or transferred by a
21 marijuana retailer that holds a license under ORS 475B.105 to meet the
22 concentration standards and [*packaging*] **servings per package** standards
23 adopted by rule pursuant to this section.

24 **“SECTION 12. (1) The amendments to ORS 475B.025, 475B.090,**
25 **475B.227, 475B.253, 475B.254, 475B.550, 475B.555, 475B.600 and 475B.625 by**
26 **sections 2, 3, 5, 5a, 6 and 8 to 11 of this 2021 Act become operative on**
27 **January 1, 2022.**

28 **“(2) The Oregon Health Authority, the Oregon Liquor Control**
29 **Commission and the State Department of Agriculture may take any**
30 **action before the operative date specified in subsection (1) of this sec-**

1 **tion that is necessary to enable the authority, the commission and the**
2 **department to exercise, on and after the operative date specified in**
3 **subsection (1) of this section, all of the duties, functions and powers**
4 **conferred on the authority, the commission and the department by the**
5 **amendments to ORS 475B.025, 475B.090, 475B.227, 475B.253, 475B.254,**
6 **475B.550, 475B.555, 475B.600 and 475B.625 by sections 2, 3, 5, 5a, 6 and 8**
7 **to 11 of this 2021 Act.**

8
9 **“MEDICAL MARIJUANA**

10
11 **“SECTION 12a.** ORS 475B.876 is amended to read:

12 **“475B.876. (1) The Oregon Health Authority shall maintain a telephone**
13 **hotline for the following persons to inquire if an address is the location of**
14 **a marijuana grow site, marijuana processing site or medical marijuana**
15 **dispensary or is the proposed location of a marijuana grow site, marijuana**
16 **processing site or medical marijuana dispensary:**

17 **“(a) A person designated by a city or a county;**

18 **“(b) A person designated by the Water Resources Department; [and]**

19 **“(c) A person designated by the watermaster of any water district[.]; and**

20 **“(d) A person designated by the State Department of Agriculture.**

21 **“(2) The authority may disclose the address of a marijuana grow site for**
22 **purposes of this section notwithstanding ORS 475B.882.**

23
24 **“INDUSTRIAL HEMP**

25
26 **“SECTION 13.** Sections 14 to 18c of this 2021 Act are added to and
27 **made a part of ORS 571.260 to 571.348.**

28 **“SECTION 14. (1) The State Department of Agriculture shall con-**
29 **duct a criminal records check under ORS 181A.195 on an individual**
30 **who submits an application for a grower license under ORS 571.281.**

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

5 “(a) If the applicant is a limited partnership, each partner of the
6 limited partnership;

7 “(b) If the applicant is a limited liability company, each member
8 of the limited liability company;

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

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

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

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

17 “SECTION 15. (1) Except as provided in subsection (2) of this sec-
18 tion:

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

24 “(b) If a licensee or an applicant, or a person related to the appli-
25 cant as described in section 14 (2)(e) of this 2021 Act, is convicted of a
26 felony related to a controlled substance under state or federal law, the
27 department may deny, revoke or refuse to renew a grower license un-
28 der ORS 571.281 during the 10 years following the date of conviction.

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

1 **“SECTION 16. Section 15 of this 2021 Act applies to convictions en-**
2 **tered before, on and after October 31, 2019.**

3 **“SECTION 16a. (1) A person licensed under ORS 571.281 may, within**
4 **the boundaries of this state, transport to or receive from:**

5 **“(a) A person licensed under ORS 571.281 or a laboratory licensed**
6 **under ORS 475B.560 hemp or a hemp commodity that contains no more**
7 **tetrahydrocannabinol than allowed by the State Department of Agri-**
8 **culture by rule if the hemp or hemp used in the hemp commodity**
9 **originated from a crop inspected under ORS 571.281 (7) that was found**
10 **to not contain an average tetrahydrocannabinol concentration ex-**
11 **ceeding the concentration specified by the department by rule.**

12 **“(b) A person licensed under ORS 475B.090, 475B.100 or 475B.105**
13 **hemp or a hemp commodity or product that contains no more**
14 **tetrahydrocannabinol than allowed by the Oregon Liquor Control**
15 **Commission by rule if the hemp or hemp used in the hemp commodity**
16 **or product originated from a crop inspected under ORS 571.281 (7) that**
17 **was found to not contain an average tetrahydrocannabinol concen-**
18 **tration exceeding the concentration specified by the department by**
19 **rule.**

20 **“(2) Hemp or a hemp commodity or product transported or received**
21 **as described in this section may not be considered a ‘marijuana**
22 **item.’**

23 **“SECTION 17. The Oregon Liquor Control Commission, in consul-**
24 **tation with the State Department of Agriculture, shall adopt rules to**
25 **establish:**

26 **“(1) The maximum concentration of tetrahydrocannabinol permit-**
27 **ted in a single serving of an industrial hemp product;**

28 **“(2) The maximum concentration of any other cannabinoid, adult**
29 **use cannabinoid or artificially derived cannabinoid that is permitted**
30 **in a single serving of an industrial hemp product; and**

1 “(3) The number of servings that are permitted in a package of in-
2 dustrial hemp products.

3 “SECTION 18. (1) As used in this section, ‘industrial hemp com-
4 modities and products intended for human consumption’ means in-
5 dustrial hemp concentrates, industrial hemp extracts and any other
6 industrial hemp item intended for ingestion or inhalation.

7 “(2) The State Department of Agriculture shall establish by rule
8 requirements for tracking the transfer of industrial hemp commodities
9 and products intended for human consumption. The tracking described
10 in this section may include:

11 “(a) Associating the results from tests performed under ORS 571.330
12 with the batch of industrial hemp on which the tests were performed;
13 and

14 “(b) Identifying the origin and destination of industrial hemp com-
15 modities and products intended for human consumption transferred
16 by a person registered under ORS 571.281.

17 “(3) Any requirements established by the department pursuant to
18 subsection (2) of this section may require the use of the system de-
19 veloped and maintained under ORS 475B.177.

20 “SECTION 18a. (1) The State Department of Agriculture shall adopt
21 rules to require that a grower registered under ORS 571.281 accurately
22 report to the department:

23 “(a) That the grower does not intend to plant an industrial hemp
24 crop at the location for which a registration is issued under ORS
25 571.281; or

26 “(b) Any loss of all or part of an industrial hemp crop.

27 “(2) The rules adopted under this section must include a timeline
28 for reporting to the department and may include other rules necessary
29 to carry out this section.

30 “SECTION 18b. (1) If the industrial hemp crop of a grower regis-

1 tered under ORS 571.281 is found to contain an average
2 tetrahydrocannabinol concentration that exceeds the limit described
3 in ORS 571.281 (7) and the State Department of Agriculture requires
4 the grower to destroy or remediate the industrial hemp crop, the
5 grower shall provide documentation to the department of the de-
6 struction or remediation.

7 “(2) The department shall adopt rules to carry out this section, in-
8 cluding rules to specify acceptable documentation for purposes of
9 subsection (1) of this section and timelines for providing the doc-
10 umentation to the department.

11 “SECTION 18c. (1)(a) Except as provided in paragraph (b) of this
12 subsection, if a person plants an industrial hemp crop or commits a
13 violation of ORS 571.260 to 571.348 prior to applying for a grower reg-
14 istration under ORS 571.281, the State Department of Agriculture shall
15 refuse to issue a registration to the person.

16 “(b) If the crop described in paragraph (a) of this subsection is re-
17 moved and the department determines that the violation is resolved,
18 the person described in paragraph (a) of this subsection may apply for
19 a registration under ORS 571.281.

20 “(2) If a person plants an industrial hemp crop or commits a vio-
21 lation of ORS 571.260 to 571.348 prior to being issued a grower regis-
22 tration under ORS 571.281, the department shall:

23 “(a)(A) Prioritize the person’s industrial hemp crop for inspection
24 under ORS 571.281 (7), if the person planted the industrial hemp crop
25 as described in this subsection; and

26 “(B) Require the person to enter into a corrective action plan with
27 the department; or

28 “(b) Refuse to issue a registration to the person if the department
29 determines that a corrective action plan is insufficient to address the
30 violation.

1 “(3) If the person described in subsection (2) of this section does not
2 enter into a corrective action plan pursuant to subsection (2) of this
3 section, the department may not issue a registration to the person
4 under ORS 571.281.

5 “(4) The department may adopt rules to carry out this section, in-
6 cluding rules to establish the corrective action plan described in sub-
7 section (2) of this section.

8 “**SECTION 18d.** Section 18 of this 2021 Act is amended to read:

9 “**Sec. 18.** (1) As used in this section, ‘industrial hemp commodities and
10 products intended for human consumption’ means industrial hemp concen-
11 trates, industrial hemp extracts and any other industrial hemp item intended
12 for ingestion or inhalation.

13 “(2) The State Department of Agriculture shall establish by rule require-
14 ments for tracking the transfer of industrial hemp commodities and products
15 intended for human consumption. The tracking described in this section may
16 include:

17 “(a) Associating the results from tests performed under ORS 571.330 with
18 the batch of industrial hemp on which the tests were performed; and

19 “(b) Identifying the origin and destination of industrial hemp commodities
20 and products intended for human consumption transferred by a person [*reg-*
21 *istered*] **licensed** under ORS 571.281.

22 “(3) Any requirements established by the department pursuant to sub-
23 section (2) of this section may require the use of the system developed and
24 maintained under ORS 475B.177.

25 “**SECTION 18e.** Section 18a of this 2021 Act is amended to read:

26 “**Sec. 18a.** (1) The State Department of Agriculture shall adopt rules to
27 require that a grower [*registered*] **licensed** under ORS 571.281 accurately
28 report to the department:

29 “(a) That the grower does not intend to plant an industrial hemp crop at
30 the location for which a [*registration*] **license** is issued under ORS 571.281;

1 or

2 “(b) Any loss of all or part of an industrial hemp crop.

3 “(2) The rules adopted under this section must include a timeline for re-
4 porting to the department and may include other rules necessary to carry
5 out this section.

6 “**SECTION 18f.** Section 18b of this 2021 Act is amended to read:

7 “**Sec. 18b.** (1) If the industrial hemp crop of a grower [*registered*] **licensed**
8 under ORS 571.281 is found to contain an average tetrahydrocannabinol
9 concentration that exceeds the limit described in ORS 571.281 (7) and the
10 State Department of Agriculture requires the grower to destroy or remediate
11 the industrial hemp crop, the grower shall provide documentation to the de-
12 partment of the destruction or remediation.

13 “(2) The department shall adopt rules to carry out this section, including
14 rules to specify acceptable documentation for purposes of subsection (1) of
15 this section and timelines for providing the documentation to the depart-
16 ment.

17 “**SECTION 18g.** Section 18c of this 2021 Act is amended to read:

18 “**Sec. 18c.** (1)(a) Except as provided in paragraph (b) of this subsection,
19 if a person plants an industrial hemp crop or commits a violation of ORS
20 571.260 to 571.348 prior to applying for a grower [*registration*] **license** under
21 ORS 571.281, the State Department of Agriculture shall refuse to issue a
22 [*registration*] **license** to the person.

23 “(b) If the crop described in paragraph (a) of this subsection is removed
24 and the department determines that the violation is resolved, the person de-
25 scribed in paragraph (a) of this subsection may apply for a [*registration*] **li-**
26 **cense** under ORS 571.281.

27 “(2) If a person plants an industrial hemp crop or commits a violation of
28 ORS 571.260 to 571.348 prior to being issued a grower [*registration*] **license**
29 under ORS 571.281, the department shall:

30 “(a)(A) Prioritize the person’s industrial hemp crop for inspection under

1 ORS 571.281 (7), if the person planted the industrial hemp crop as described
2 in this subsection; and

3 “(B) Require the person to enter into a corrective action plan with the
4 department; or

5 “(b) Refuse to issue a [*registration*] **license** to the person if the depart-
6 ment determines that a corrective action plan is insufficient to address the
7 violation.

8 “(3) If the person described in subsection (2) of this section does not enter
9 into a corrective action plan pursuant to subsection (2) of this section, the
10 department may not issue a [*registration*] **license** to the person under ORS
11 571.281.

12 “(4) The department may adopt rules to carry out this section, including
13 rules to establish the corrective action plan described in subsection (2) of
14 this section.

15 **“SECTION 19.** 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
17 [*Oregon Industrial Hemp Agricultural Pilot Program and Research Act*]
18 **Oregon Hemp Act.**

19 **“SECTION 20.** ORS 571.263 is amended to read:

20 “571.263. The State Department of Agriculture shall administer an Oregon
21 [*Industrial Hemp Agricultural Pilot Program for the purpose of studying the*
22 *growth, cultivation and marketing of industrial hemp in this state. In carrying*
23 *out the program, the department:*] **Hemp State Program for the pro-**
24 **duction, processing and sale of hemp in this state. In carrying out the**
25 **program, the department:**

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

27 **“(2)(a) Shall adopt rules to implement a state plan for the pro-**
28 **duction of hemp in accordance with the Agriculture Improvement Act**
29 **of 2018 (P.L. 115-334) and subsequent federal law. The rules adopted**
30 **under this subsection must conform to, and not be more restrictive**

1 **than, the rules related to hemp promulgated by the United States De-**
2 **partment of Agriculture.**

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

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

9 **“[(2)] (3) Shall adopt by rule any record keeping and reporting require-**
10 **ments necessary to administer the program[;].**

11 **“[(3)] (4) May purchase, possess, seize or dispose of industrial hemp pro-**
12 **ducts or commodities as the department deems necessary to enforce and en-**
13 **sure compliance with ORS 571.260 to 571.348 or department rules relating to**
14 **ORS 571.260 to 571.348[; and].**

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

17 **“SECTION 21. ORS 571.269 is amended to read:**

18 **“571.269. As used in ORS 571.260 to 571.348:**

19 **“(1) ‘Adult use cannabinoid’ has the meaning given that term in**
20 **ORS 475B.015.**

21 **“(2) ‘Adult use cannabis item’ has the meaning given that term in**
22 **ORS 475B.015.**

23 **“[(1)] (3) ‘Agricultural hemp seed’ means Cannabis seed:**

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

26 **“(b) That remains in an unprocessed or partially processed condition that**
27 **is capable of germination.**

28 **“(4) ‘Artificially derived cannabinoid’ has the meaning given that**
29 **term in ORS 475B.015.**

30 **“(5) ‘Consumption’ means to ingest, inhale or topically apply to the**

1 **skin or hair.**

2 “[2] (6) ‘Crop’ means industrial hemp grown under a single
3 [registration] **license.**

4 “[3] (7) ‘Grower’ means a person, joint venture or cooperative that
5 produces industrial hemp.

6 “[4] (8) ‘Handler’ means a person, joint venture or cooperative that re-
7 ceives industrial hemp for processing into commodities, products or agricul-
8 tural hemp seed **and any other activities identified by the State**
9 **Department of Agriculture by rule.**

10 “[5] (9)(a) ‘Industrial hemp’:

11 “[a] *Except as provided in this paragraph, means all nonseed parts and*
12 *varieties of the Cannabis plant, whether growing or not, that contain an av-*
13 *erage tetrahydrocannabinol concentration that does not exceed 0.3 percent on*
14 *a dry weight basis. The State department of Agriculture, by rule, may adopt*
15 *any higher average tetrahydrocannabinol concentration limit established in*
16 *federal law.]*

17 “[b] *Means any Cannabis seed:]*

18 “[A] *That is part of a crop;]*

19 “[B] *That is retained by a grower for future planting;]*

20 “[C] *That is agricultural hemp seed;]*

21 “[D] *That is for processing into or for use as agricultural hemp seed; or]*

22 “[E] *That has been processed in a manner or to an extent that the*
23 *Cannabis seed is incapable of germination.]*

24 “[c] *Does not mean industrial hemp commodities or products.]*

25 **“(A) Means the plant species Cannabis sativa that has a**
26 **tetrahydrocannabinol concentration that complies with the concen-**
27 **tration specified by the department by rule; and**

28 **“(B) Has the meaning given that term as it is further defined by the**
29 **department by rule.**

30 **“(b) ‘Industrial hemp’ does not mean industrial hemp commodities**

1 **or products.**

2 “[6] (10) ‘Industrial hemp concentrate’ means an industrial hemp product
3 obtained by separating cannabinoids from industrial hemp by:

4 “(a) A mechanical process;

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

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

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

11 “[7] (11) ‘Industrial hemp extract’ means an industrial hemp product
12 obtained by separating cannabinoids from industrial hemp by:

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

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

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

18 “(12) ‘Licensee’ means a grower, handler, agricultural hemp seed
19 producer or other person licensed under ORS 571.281.

20 “**SECTION 22.** ORS 571.272 is amended to read:

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

23 “(2)(a) For purposes of ORS chapter 616, the department may not consider
24 industrial hemp or industrial hemp commodities or products to be an
25 adulterant.

26 “(b) **Paragraph (a) of this subsection does not prohibit the depart-**
27 **ment from considering artificially derived cannabinoids to be**
28 **adulterants.**

29 “**SECTION 23.** ORS 571.281 is amended to read:

30 “571.281. (1)(a) To grow or handle industrial hemp, a person must be

1 [registered with] **licensed** by the State Department of Agriculture as a
2 grower or handler.

3 “(b) **The department may identify by rule activities related to**
4 **growing or handling hemp in addition to those described in ORS 571.269**
5 **and may require licensure to engage in those activities. The depart-**
6 **ment may issue, renew, suspend, revoke or refuse to issue or renew a**
7 **license required pursuant to this subsection.**

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

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

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

17 “(B) A grower or handler [registered] **licensed** under this section that
18 produces Cannabis seeds that are incapable of germination, or a handler
19 [registered] **licensed** under this section that processes Cannabis seeds that
20 are incapable of germination into commodities or products, is not required
21 to [register with] **be licensed** by the department as an agricultural hemp
22 seed producer.

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

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

27 “(b) The name and address of the industrial hemp operation of the appli-
28 cant; and

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

30 “(4) [*Registration under this section is valid for a one-year term, beginning*

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

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

8 “(6) A grower or handler [*registered*] **licensed** under this section must
9 keep records as required by the department by rule. Upon not less than
10 three days’ notice, the department may subject the records to inspection or
11 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
16 571.260 to 571.348 or a rule adopted under a provision of ORS 571.260 to
17 571.348.

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

27 “(8)(a) The department may charge [*growers, handlers and agricultural*
28 *hemp seed producers application fees, registration and renewal of registration*
29 *fees, administrative change fees and fees for other services]* **licensees the**
30 **following fees** in amounts reasonably calculated by the department to pay

1 the cost of administering ORS 571.260 to 571.348[.]:

2 “(A) Application fees;

3 “(B) License and license renewal fees;

4 “(C) Administrative change fees; and

5 “(D) Fees for other services.

6 “(b) Moneys from fees charged under this subsection shall be deposited
7 in the Industrial Hemp Fund established under ORS 571.278.

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

11 “**SECTION 24.** ORS 571.285 is amended to read:

12 “571.285. (1) Subject to the provisions of ORS chapter 183, the State De-
13 partment of Agriculture may revoke [*the registration of a grower, handler or*
14 *agricultural hemp seed producer*] **a licensee’s license** or refuse to [*register*]
15 **issue** or renew the [*registration*] **license** if a [*grower, handler or agricultural*
16 *hemp seed producer*] **licensee** violates:

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

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

19 “(c) An order issued by the department pursuant to a provision of ORS
20 571.260 to 571.348 or a rule adopted under a provision of ORS 571.260 to
21 571.348, **including an order of detainment issued under ORS 571.281**; or

22 “(d) Any statutory law or department rule related to agricultural activ-
23 ities other than industrial hemp operations.

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

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

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

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

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

4 “**SECTION 25.** ORS 571.288 is amended to read:

5 “571.288. A grower [*registered*] **licensed** under ORS 571.281 may use any
6 propagation method, including planting seeds or starts or the use of clones
7 or cuttings, to produce industrial hemp.

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

9 “571.294. The State Department of Agriculture may charge growers and
10 handlers [*registered*] **licensed** under ORS 571.281 fees reasonably calculated
11 by the department to pay the cost of sampling or testing industrial hemp or
12 industrial hemp commodities or products under ORS 571.330 and 571.333.
13 Moneys from fees charged under this section shall be deposited in the In-
14 dustrial Hemp Fund established under ORS 571.278.

15 “**SECTION 27.** ORS 571.302 is amended to read:

16 “571.302. (1) For purposes of ORS 633.511 to 633.750, agricultural hemp
17 seed is an agricultural seed or a flower seed, as those terms are defined in
18 ORS 633.511.

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

23 “(a) The director and the dean shall perform their respective duties under
24 ORS 633.511 to 633.750 with respect to agricultural hemp seed in the same
25 manner that the director and dean perform their respective duties under ORS
26 633.511 to 633.750 with respect to other agricultural seed or flower seed, in-
27 cluding but not limited to those duties related to labeling, testing and cer-
28 tifying seeds; and

29 “(b) The director and the dean shall exercise their respective functions
30 and powers under ORS 633.511 to 633.750 with respect to agricultural hemp

1 seed in the same manner that the director and dean exercise their respective
2 functions and powers under ORS 633.511 to 633.750 with respect to other
3 agricultural seed or flower seed, including but not limited to inspecting and
4 sampling seeds and making rules and regulations under ORS 633.680.

5 “(3) Notwithstanding subsections (1) and (2) of this section, if the director
6 in consultation with the dean determines that a specific provision of ORS
7 633.511 to 633.750, or a specific rule or regulation made under ORS 633.511
8 to 633.750, that applies to other agricultural seed or flower seed is inade-
9 quate or not suitable for the regulation of agricultural hemp seed, the di-
10 rector may by rule exempt agricultural hemp seed from the provision, rule
11 or regulation and make rules providing more adequate or suitable regulation
12 of agricultural hemp seed.

13 “(4)(a) The director and the dean shall collaborate with growers [*regis-*
14 *tered*] **licensed** under ORS 571.281 in performing their respective duties and
15 exercising their respective functions and powers under ORS 633.511 to
16 633.750 with respect to agricultural hemp seed.

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

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

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

27 “(7) The State Department of Agriculture may establish by rule waivers
28 to, or exemptions from, tests that would otherwise be conducted to determine
29 a crop’s average tetrahydrocannabinol concentration for crops planted with
30 agricultural hemp seed varieties certified pursuant to the program described

1 in this section.

2 **“SECTION 28.** ORS 571.327 is amended to read:

3 “571.327. (1) An agricultural hemp seed producer [*registered*] **licensed**
4 under ORS 571.281:

5 “(a) Must sell agricultural hemp seed in a manner that complies with any
6 standard established by the Director of Agriculture under ORS 633.511 to
7 633.750; and

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

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

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

17 **“SECTION 29.** ORS 571.330 is amended to read:

18 “571.330. [(1) *For purposes of this section, ‘consumption’ means to ingest,*
19 *inhale or topically apply to the skin or hair.*]

20 “[~~(2)(a)~~] **(1)(a)** A laboratory licensed by the Oregon Liquor Control Com-
21 mission under ORS 475B.560 and accredited by the Oregon Health Authority
22 pursuant to ORS 475B.565 may test industrial hemp and industrial hemp
23 commodities and products **whether or not the industrial hemp or indus-**
24 **trial hemp commodities or products were** produced or processed by a
25 [*grower, handler or agricultural hemp seed producer registered under ORS*
26 *571.281*] **licensee.**

27 “(b) An accredited independent testing laboratory that has been approved
28 by the authority or the State Department of Agriculture may test industrial
29 hemp and industrial hemp commodities and products **whether or not the**
30 **industrial hemp or industrial hemp commodities or products were**

1 produced or processed by a [*grower, handler or agricultural hemp seed pro-*
2 *ducer registered under ORS 571.281*] **licensee**.

3 “[~~(3)~~] **(2)** A [*grower or handler*] **person** may not sell or transfer an in-
4 dustrial hemp commodity or product that is intended for human consumption
5 **and that was produced, processed or manufactured in this state** unless
6 the commodity or product is tested by a laboratory described in subsection
7 [~~(2)~~] **(1)** of this section to ensure that the commodity or product meets the
8 requirements adopted by the Oregon Health Authority under ORS 475B.555
9 (1)(a) and (b) and (2) for testing marijuana items.

10 “[~~(4)~~] **(3)** For purposes of this section, the department shall adopt rules:

11 “(a) Establishing protocols for the testing of industrial hemp commodities
12 and products; and

13 “(b) Establishing procedures for determining batch sizes and for sampling
14 industrial hemp commodities and products.

15 “[~~(5)~~] **(4)** This section does not apply to:

16 “(a) Agricultural hemp seed;

17 “(b) Seeds of the plant genus *Cannabis* within the plant family
18 *Cannabaceae* that are incapable of germination;

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

21 “(d) Other parts of industrial hemp that the department identifies by rule
22 as exempt.

23 **“SECTION 30.** ORS 571.336 is amended to read:

24 “571.336. (1) As used in this section, ‘licensee,’ ‘marijuana,’ ‘marijuana
25 item’ and ‘marijuana processor’ have the meanings given those terms in ORS
26 475B.015.

27 “(2) A grower [*registered*] **licensed** under ORS 571.281 may deliver indus-
28 trial hemp, and a handler [*registered*] **licensed** under ORS 571.281 may de-
29 liver industrial hemp concentrates and industrial hemp extracts, to a
30 marijuana processor that holds a license issued under ORS 475B.090, if:

1 “(a) The grower or handler and the marijuana processor are registered
2 with the Oregon Liquor Control Commission, in a form and manner pre-
3 scribed by the commission, for the purpose of processing industrial hemp,
4 industrial hemp concentrates and industrial hemp extracts;

5 “(b) The marijuana processor is provided with the results of any test
6 conducted on the industrial hemp, industrial hemp concentrate or industrial
7 hemp extract pursuant to ORS 571.260 to 571.348 as a condition of the
8 marijuana processor’s receiving the industrial hemp, industrial hemp con-
9 centrate or industrial hemp extract;

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

13 “(d) The industrial hemp, industrial hemp concentrate or industrial hemp
14 extract is tracked using the system developed and maintained under ORS
15 475B.177 when the industrial hemp, industrial hemp concentrate or industrial
16 hemp extract is delivered to the premises of the marijuana processor; and

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

19 “(3) Industrial hemp, industrial hemp concentrates and industrial hemp
20 extracts may be processed by a marijuana processor registered under this
21 section into any industrial hemp commodity or product or used by a
22 marijuana processor registered under this section to supplement the pro-
23 cessing of any marijuana item.

24 “(4) An industrial hemp concentrate, industrial hemp extract, industrial
25 hemp commodity or product or marijuana item processed pursuant to this
26 section may be delivered by a marijuana processor registered under this
27 section to a licensee as described in ORS 475B.206, provided that the indus-
28 trial hemp concentrate, industrial hemp extract, industrial hemp commodity
29 or product or marijuana item meets any applicable requirement for
30 marijuana items set forth in ORS 475B.010 to 475B.545, 475B.550 to 475B.590

1 and 475B.600 to 475B.655 and rules adopted under ORS 475B.010 to 475B.545,
2 475B.550 to 475B.590 and 475B.600 to 475B.655.

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

11 **“SECTION 31.** ORS 571.337 is amended to read:

12 “571.337. (1) As used in this section:

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

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

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

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

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

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

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

27 “(c) The hemp, commodity or product meets the requirements for
28 marijuana items under ORS 475B.010 to 475B.545, 475B.550 to 475B.590 and
29 475B.600 to 475B.655 and rules adopted by the commission.

30 “(3) A grower, handler or processor registered as described under ORS

1 571.336 (2)(a) shall enter **the** hemp, commodity or product that contains
2 cannabinoids, is intended for human consumption and is intended for trans-
3 fer, sale or transport to a processor, retailer or wholesaler licensed under
4 ORS 475B.010 to 475B.545 into the tracking system described in ORS 475B.177
5 before the hemp, commodity or product is transferred to a laboratory de-
6 scribed in ORS 571.330 [(2)] (1) for testing of a type described under ORS
7 475B.555. The commission shall continue to track the hemp, commodity or
8 product entered into the system under this subsection when the hemp, com-
9 modity or product is transferred, sold or transported to a premises licensed
10 under ORS 475B.010 to 475B.545, or to other areas under the control of the
11 premises licensee.

12 **“(4) A processor may transfer, sell or transport an industrial hemp**
13 **commodity or product to a person that is not a processor, retailer or**
14 **wholesaler if the industrial hemp commodity or product:**

15 **“(a) Is tested as described in ORS 475B.555 and otherwise meets the**
16 **requirements for marijuana items under ORS 475B.010 to 475B.545,**
17 **475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted by the**
18 **commission;**

19 **“(b) Is entered into the tracking system described in ORS 475B.177;**

20 **“(c) Prior to the transfer, sale or transport, is held by the processor**
21 **for the duration and in the manner required by the commission by**
22 **rule; and**

23 **“(d) Meets any other requirements established by the commission**
24 **by rule.**

25 **“[(4)] (5) The State Department of Agriculture shall adopt rules regarding**
26 **the activities of growers and handlers under this section.**

27 **“[(5)] (6)(a) The commission shall adopt rules regarding the activities of**
28 **processors, retailers, wholesalers and laboratories under this section.**

29 **“(b) The commission may adopt rules to carry out subsection (4)**
30 **of this section.**

1 **“SECTION 32.** ORS 571.339 is amended to read:

2 “571.339. [*A person may not make a retail sale of industrial hemp com-*
3 *modities or products in this state unless the industrial hemp commodities or*
4 *products and the industrial hemp used to process the industrial hemp com-*
5 *modities or products meet the requirements for processing industrial hemp*
6 *commodities or products or growing industrial hemp set forth in ORS 571.260*
7 *to 571.348 and rules adopted under ORS 571.260 to 571.348.*]

8 **“(1) For purposes of this section, ‘consumer’ means a person that**
9 **purchases, acquires, owns, holds or uses an industrial hemp commod-**
10 **ity or product other than for the purpose of resale.**

11 **“(2) A person may not sell, transfer or deliver to a consumer an**
12 **industrial hemp commodity or product that contains cannabinoids and**
13 **is intended for human consumption unless:**

14 **“(a) The industrial hemp commodity or product has been tested in**
15 **accordance with ORS 571.330 and any rules adopted pursuant to ORS**
16 **571.330;**

17 **“(b) If the hemp commodity or product is intended for human con-**
18 **sumption by ingestion, the hemp commodity or product was processed**
19 **in a facility licensed by the State Department of Agriculture under**
20 **ORS 616.695 to 616.755 or in a facility in another state or jurisdiction**
21 **that meets requirements substantially similar to requirements estab-**
22 **lished under ORS 616.695 to 616.755;**

23 **“(c) The person obtains and maintains documentation of the results**
24 **of the testing;**

25 **“(d) If the industrial hemp commodity or product is sold to a person**
26 **under 21 years of age or any representations are made to the consumer**
27 **about the concentration of delta-8 tetrahydrocannabinol, the results**
28 **of the testing required under this subsection demonstrate the concen-**
29 **tration of delta-8 tetrahydrocannabinol;**

30 **“(e) The industrial hemp commodity or product does not contain**

1 more than 0.3 percent tetrahydrocannabinol or the concentration of
2 tetrahydrocannabinol allowed under federal law, whichever is greater;
3 and

4 “(f) The industrial hemp commodity or product does not exceed the
5 concentration of adult use cannabinoids established by the Oregon
6 Liquor Control Commission, in conjunction with the Oregon Health
7 Authority and State Department of Agriculture, by rule.

8 “(3) The testing required under subsection (2) of this section may
9 be conducted only by:

10 “(a) A laboratory licensed by the commission under ORS 475B.560
11 and accredited by the authority under ORS 475B.565; or

12 “(b) If the industrial hemp commodity or product was processed
13 outside of this state, a laboratory accredited to the same or more
14 stringent standards as a laboratory described in paragraph (a) of this
15 subsection.

16 “(4) A person may not sell or deliver an adult use cannabis item to
17 a person under 21 years of age.

18 “(5) This section does not apply to the retail sale of industrial hemp
19 commodities or products by a marijuana retailer, as defined in ORS 475B.015,
20 that holds a license issued under ORS 475B.105.

21 “**SECTION 33.** 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 33a.** 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) **In addition to the penalty described in subsection (1) of this**
6 **section, subject to the provisions of ORS chapter 183, the department**
7 **may impose a civil penalty not to exceed \$10,000 on a person if the**
8 **person is a grower registered under ORS 571.281 and the department**
9 **determines that the person’s industrial hemp crop contains an average**
10 **tetrahydrocannabinol concentration of at least 10 percent on a dry**
11 **weight basis.**

12 “[2] (3) The department may not discipline a person under this section
13 on the basis that possessing, delivering and manufacturing industrial hemp
14 are prohibited by federal law.

15 “[3] (4) All moneys collected by the department under this section shall
16 be deposited in the General Fund in the State Treasury to the credit of the
17 Industrial Hemp Fund established under ORS 571.278.

18 “**SECTION 33b.** ORS 571.348, as amended by section 33a of this 2021 Act,
19 is amended to read:

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

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

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

25 “(c) An order issued by the department pursuant to a provision of ORS
26 571.260 to 571.348 or a rule adopted under a provision of ORS 571.260 to
27 571.348.

28 “(2) In addition to the penalty described in subsection (1) of this section,
29 subject to the provisions of ORS chapter 183, the department may impose a
30 civil penalty not to exceed \$10,000 on a person if the person is a grower

1 [registered] licensed under ORS 571.281 and the department determines that
2 the person's industrial hemp crop contains an average tetrahydrocannabinol
3 concentration of at least 10 percent on a dry weight basis.

4 “(3) The department may not discipline a person under this section on the
5 basis that possessing, delivering and manufacturing industrial hemp are
6 prohibited by federal law.

7 “(4) All moneys collected by the department under this section shall be
8 deposited in the General Fund in the State Treasury to the credit of the In-
9 dustrial Hemp Fund established under ORS 571.278.

10 **“SECTION 34. ORS 571.341 is repealed.**

11 **“SECTION 35. 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 36 of this 2021 Act; and**

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

17 **“SECTION 36. (1) Sections 14 to 17 of this 2021 Act, the amendments**
18 **to ORS 571.260, 571.263, 571.281, 571.285, 571.288, 571.294, 571.302, 571.327,**
19 **571.330, 571.336, 571.337, 571.339, 571.345 and 571.348 by sections 19, 20,**
20 **23 to 33 and 33b of this 2021 Act, the amendments to sections 18 to 18c**
21 **of this 2021 Act by sections 18d to 18g of this 2021 Act and the repeal**
22 **of ORS 571.341 by section 34 of this 2021 Act become operative on**
23 **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 14 to 17 of this 2021 Act, the amendments to ORS 571.260,
2 571.263, 571.281, 571.285, 571.288, 571.294, 571.302, 571.327, 571.330, 571.336,
3 571.337, 571.339, 571.345 and 571.348 by sections 19, 20, 23 to 33 and 33b
4 of this 2021 Act, the amendments to sections 18 to 18c of this 2021 Act
5 by sections 18d to 18g of this 2021 Act and the repeal of ORS 571.341
6 by section 34 of this 2021 Act.

7
8 **“TASK FORCE ON CANNABIS-DERIVED INTOXICANTS**

9
10 **“SECTION 37. (1) The Task Force on Cannabis-Derived Intoxicants**
11 **is established.**

12 **“(2) The task force consists of 15 members appointed as follows:**

13 **“(a) The President of the Senate shall appoint one member from**
14 **among the members of the Senate;**

15 **“(b) The Senate Minority Leader shall appoint one member from**
16 **among the members of the Senate;**

17 **“(c) The Speaker of the House of Representatives shall appoint one**
18 **member from among the members of the House of Representatives;**

19 **“(d) The House Minority Leader shall appoint one member from**
20 **among the members of the House of Representatives; and**

21 **“(e) The Governor shall appoint 11 members as follows:**

22 **“(A) One member who represents counties in this state;**

23 **“(B) One member who represents cities in this state;**

24 **“(C) One member who represents law enforcement agencies;**

25 **“(D) One member who represents industrial hemp growers regis-**
26 **tered or licensed under ORS 571.281;**

27 **“(E) One member who represents industrial hemp handlers regis-**
28 **tered or licensed under ORS 571.281;**

29 **“(F) The director of the Oregon State University Global Hemp In-**
30 **novation Center, or a designee of the director;**

1 “(G) Two members who represent licensees, as defined in ORS
2 475B.015;

3 “(H) The Director of Agriculture, or a designee of the director;

4 “(I) The director of the Oregon Health Authority Public Health Di-
5 vision, or a designee of the director; and

6 “(J) The administrator of the Oregon Liquor Control Commission,
7 or a designee of the administrator.

8 “(3) The task force shall consider:

9 “(a) Changes to state law to support the regulation of intoxicating
10 cannabis-derived products and artificially derived cannabinoids;

11 “(b) The consolidation of administrative functions related to the
12 regulation of cannabis;

13 “(c) Methods to prevent sales to minors of industrial hemp com-
14 modities or products that contain intoxicating cannabinoids;

15 “(d) Regulation to address genetic engineering of cannabis;

16 “(e) Testing requirements and methods of enforcement of testing
17 requirements for cannabinoids, including artificially derived
18 cannabinoids, to protect the public health and safety;

19 “(f) Policy changes related to interstate commerce and transporta-
20 tion of cannabis;

21 “(g) Changes to state regulation of cannabis as a result of federal
22 laws; and

23 “(h) Input from marijuana and industrial hemp industry members.

24 “(4) A majority of the members of the task force constitutes a
25 quorum for the transaction of business.

26 “(5) Official action by the task force requires the approval of a
27 majority of the members of the task force.

28 “(6) The task force shall elect one of its members to serve as
29 chairperson.

30 “(7) If there is a vacancy for any cause, the appointing authority

1 shall make an appointment to become immediately effective.

2 “(8) The task force shall meet at times and places specified by the
3 call of the chairperson or of a majority of the members of the task
4 force.

5 “(9) The task force may adopt rules necessary for the operation of
6 the task force.

7 “(10) Not later than June 30, 2022, the State Department of Agri-
8 culture shall report to the task force on the implementation of section
9 18 of this 2021 Act.

10 “(11)(a) The task force shall submit a report in the manner provided
11 by ORS 192.245, and shall include initial findings and recommendations
12 for legislation, to the interim committee of the Legislative Assembly
13 related to economic development no later than December 31, 2021.

14 “(b) The task force shall submit a report in the manner provided
15 by ORS 192.245, and shall include final findings and recommendations
16 for legislation, to the interim committee of the Legislative Assembly
17 related to economic development no later than December 31, 2022. The
18 report submitted under this paragraph must include a summary of the
19 information submitted to the task force by the department under
20 subsection (10) of this section.

21 “(12) The Oregon Liquor Control Commission and the State De-
22 partment of Agriculture, in consultation with the Oregon Health Au-
23 thority and the Department of Revenue, shall provide staff support to
24 the task force.

25 “(13) Members of the task force who are not members of the Leg-
26 islative Assembly are not entitled to compensation or reimbursement
27 for expenses and serve as volunteers on the task force.

28 “(14) All agencies of state government, as defined in ORS 174.111,
29 are directed to assist the task force in the performance of the duties
30 of the task force and, to the extent permitted by laws relating to

1 **confidentiality, to furnish information and advice the members of the**
2 **task force consider necessary to perform their duties.**

3 **“SECTION 38. Section 37 of this 2021 Act is repealed on January 2,**
4 **2023.**

5
6 **“ILLEGAL MARIJUANA MARKET ENFORCEMENT**
7 **GRANT PROGRAM FUNDING**

8
9 **“SECTION 39. Section 16, chapter 103, Oregon Laws 2018, is amended to**
10 **read:**

11 **“Sec. 16. (1) Notwithstanding ORS 475B.759, before making any other**
12 **distribution from the Oregon Marijuana Account established under ORS**
13 **475B.759, the Department of Revenue shall first distribute quarterly from the**
14 **account the following:**

15 **“(a) \$875,000 to the Oregon Liquor Control Commission for deposit in the**
16 **Marijuana Control and Regulation Fund established under ORS 475B.296;**
17 **and**

18 **“(b) [~~\$375,000~~] **\$750,000** to the Oregon Criminal Justice Commission for**
19 **deposit into the Illegal Marijuana Market Enforcement Grant Program Fund**
20 **established under section 15 [*of this 2018 Act*], **chapter 103, Oregon Laws****
21 **2018, for the purposes of paying the costs incurred by the commission in**
22 **carrying out the provisions of section 13 [*of this 2018 Act*], **chapter 103,****
23 **Oregon Laws 2018.**

24 **“(2) The final distribution made under subsection (1) of this section shall**
25 **be made in the fiscal quarter beginning on October 1, 2023.**

26
27 **“ENFORCEMENT**

28
29 **“SECTION 40. (1) The Oregon Liquor Control Commission shall,**
30 **with the assistance of the State Department of Agriculture, create and**

1 continually update a map of the locations of industrial hemp oper-
2 ations registered or licensed under ORS 571.281 and premises for which
3 a license has been issued under ORS 475B.070.

4 “(2) The commission shall make the map described in subsection (1)
5 of this section available to law enforcement agencies in this state and
6 public employees and officials who are responsible for the enforcement
7 of state and local laws regulating industrial hemp or marijuana.

8 **“SECTION 41. (1) A person commits the crime of unlawful pro-**
9 **duction of marijuana if the person produces marijuana or industrial**
10 **hemp:**

11 “(a) At a location that is not confirmed by the Oregon Health Au-
12 thority, the Oregon Liquor Control Commission or the State Depart-
13 ment of Agriculture to be the location of an industrial hemp operation
14 registered or licensed under ORS 571.281, a premises for which a li-
15 cense was issued under ORS 475B.090 or a marijuana grow site regis-
16 tered under ORS 475B.810; and

17 “(b) In an amount that is not allowed by state law.

18 “(2) Unlawful production of marijuana is a Class A misdemeanor.

19 “(3) Marijuana or industrial hemp that is unlawfully produced, as
20 described in subsection (1) of this section, is considered contraband
21 and may be destroyed by a law enforcement agency.

22 **“SECTION 41a. (1) The Oregon Liquor Control Commission, in**
23 **consultation with the State Department of Agriculture, shall develop**
24 **by rule a methodology to distinguish whether a cannabis plant is**
25 **marijuana or industrial hemp for purposes of sections 40 to 44 of this**
26 **2021 Act. The methodology must include testing criteria and**
27 **cannabinoid concentrations above which immature or mature**
28 **cannabis plants are presumptively considered to be marijuana.**

29 “(2) The department may order a person registered or licensed un-
30 der ORS 571.281 to destroy any cannabis plants located at an industrial

1 hemp operation for which the person described in this subsection is
2 responsible if the cannabis plants are presumptively considered to be
3 marijuana under the methodology adopted pursuant to subsection (1)
4 of this section.

5 **“SECTION 42. (1) The State Department of Agriculture may enter
6 into an interagency agreement with the Oregon Liquor Control Com-
7 mission to allow representatives of the commission to carry out in-
8 spections of industrial hemp crops under ORS 571.281 (7).**

9 **“(2) The department and the commission may adopt rules to carry
10 out this section.**

11 **“SECTION 43. (1) Pursuant to rules adopted by the State Depart-
12 ment of Agriculture under subsection (2) of this section:**

13 **“(a) Law enforcement officers may accompany the department to
14 an industrial hemp operation for the purposes of providing protection
15 for the department’s representatives; and**

16 **“(b) Public employees and officials who are responsible for the
17 enforcement of state and local laws may accompany the department
18 to an industrial hemp operation in order to carry out inspections that
19 the public employees or officials are authorized to perform.**

20 **“(2) The department shall adopt rules to carry out this section.**

21 **“SECTION 44. The Governor may order that the Oregon National
22 Guard provide assistance and support to the State Department of Ag-
23 riculture and law enforcement in carrying out inspections of industrial
24 hemp crops under ORS 571.281 (7) and other duties of the department
25 related to the enforcement of ORS 571.260 to 571.348.**

26 **“SECTION 45. Sections 40 to 44 of this 2021 Act are repealed on
27 January 1, 2024.**

28

29

“CAPTIONS

30

1 **“SECTION 46. The unit captions used in this 2021 Act are provided**
2 **only for the convenience of the reader and do not become part of the**
3 **statutory law of this state or express any legislative intent in the**
4 **enactment of this 2021 Act.**

5

6

“EMERGENCY CLAUSE

7

8 **“SECTION 47. This 2021 Act being necessary for the immediate**
9 **preservation of the public peace, health and safety, an emergency is**
10 **declared to exist, and this 2021 Act takes effect on its passage.”.**

11
