

SB 1564 A STAFF MEASURE SUMMARY**Carrier:** Rep. Marsh, Rep. Wallan**House Committee On Economic Recovery and Prosperity****Action Date:** 02/23/22**Action:** Do Pass the A-Eng bill.**Vote:** 7-3-0-0**Yeas:** 7 - Hudson, Kropf, Lively, Prusak, Ruiz, Wallan, Witt**Nays:** 3 - Bonham, Cate, Levy**Fiscal:** Fiscal impact issued**Revenue:** Has minimal revenue impact**Prepared By:** Michael Lantz, LPRO Analyst**Meeting Dates:** 2/21, 2/23**WHAT THE MEASURE DOES:**

Authorizes the governing body of a county that declares a state of emergency related to cannabis to notify the Oregon Department of Agriculture (ODA) of the declaration and request the ODA deny the issuance of grower licenses for grow sites located in area subject to jurisdiction of the county, including to applicants that submitted applications on or after January 1, 2022 and prior to effective date of Act. Establishes requirements for the declaration and requires notification to be made annually for each year the governing body declares the state of emergency and to be received by ODA not later than March 15, 2022 for the 2022 growing season and not later than January 1, 2023 for the 2023 growing season. Upon receipt of notice and request, directs ODA to immediately deny the issuance of grower licenses. Authorizes ODA to issue a grower license for a grow site located in an area subject to the jurisdiction of the county if the applicant held a valid grower license or registration during the 2020 or 2021 calendar year. Authorizes ODA to adopt rules to carry out provisions of measure. Specifies provisions do not apply to research grower licenses. Repeals provisions on June 30, 2023. Renames Task Force on Cannabis-Derived Intoxicants as Task Force on Cannabis-Derived Intoxicants and Illegal Cannabis Production. Increases membership of task force, and expands task force scope of work. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

- State of hemp industry in Oregon
- Concerns about impact to hemp industry
- Hemp production as cover for illegal marijuana grows
- Recent enforcement activities
- Oregon Department of Agriculture hemp regulations

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Industrial hemp is an agricultural crop regulated by the Oregon Department of Agriculture (ODA). It refers to plant varieties of *Cannabis sativa* that contain a limited amount of tetrahydrocannabinol (THC) that are grown for fiber, seed, oil, or as a cover crop.

A series of laws related to industrial hemp have been enacted in Oregon since 2009. Senate Bill 676 (2009) authorized hemp production and possession and commerce in industrial hemp commodities. House Bill 4060 (2016) updated and clarified regulatory provisions and authorized ODA to adopt rules on the quality, packaging, and labeling of industrial hemp seed. Senate Bill 1015 (2017) provided for the processing and sale of industrial hemp concentrates and extracts. House Bill 4089 (2018) established the Oregon Industrial Hemp Agricultural Pilot

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Program and an agricultural hemp seed certificate program, and further refined laws governing testing, regulation, personal possession, and THC concentration. In 2021, House Bill 3000 directed the Oregon Liquor Control Commission (OLCC)—renamed the Oregon Liquor and Cannabis Commission in 2021—to consult with the Oregon Health Authority and ODA to adopt rules establishing a maximum THC concentration for artificially derived cannabinoids allowed in a cannabinoid product and the maximum concentration of THC or artificially derived cannabinoid permitted in an industrial hemp product. To further consider state policies and regulation, testing and enforcement, and other administrative functions associated with these products, the measure also established a 15-member Task Force on Cannabis-Derived Intoxicants. The Task Force was directed to report to the Legislative Assembly on their initial findings no later than December 31, 2021, and to report on their final findings by December 31, 2022.

Senate Bill 1564 A would authorize a county board of commissioners that has declared a state of emergency related to cannabis to notify ODA of the declaration and request that ODA deny the issuance of grower licenses for sites in an area subject to the jurisdiction of the county. ODA would continue to be authorized to issue grower licenses in the county if a licensee had held a valid grower license or registration during the 2020 or 2021 calendar year. This process would be in effect for the 2022 and 2023 growing seasons. The measure would also rename the Task Force on Cannabis-Derived Intoxicants as the Task Force on Cannabis-Derived Intoxicants and Illegal Cannabis Production, increase the task force membership, and expand its scope of work.