

A-Engrossed
Senate Bill 1564

Ordered by the Senate February 15
Including Senate Amendments dated February 15

Sponsored by Senator GOLDEN, Representative MARSH; Senators FREDERICK, KENNEMER, MANNING JR, TAYLOR, Representatives KROPP, LIVELY, SCHOUTEN, WILDE (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Allows State Department of Agriculture to, based on supply of and demand for industrial hemp, refuse to issue industrial hemp grower license for amount of time department determines necessary. Requires department to study effects of refusal to issue grower license and to submit report to committee of Legislative Assembly related to agriculture not later than March 30, 2024. Sunsets March 31, 2024.]

Allows governing body of county that declares state of emergency related to cannabis to request that State Department of Agriculture deny issuance of industrial hemp grower licenses in area subject to jurisdiction of county. Sunsets 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's scope of work.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to cannabis; creating new provisions; amending section 37, chapter 542, Oregon Laws 2021;
3 and declaring an emergency.

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

5 **SECTION 1. (1) As used in this section:**

6 (a) "Grow site" has the meaning given that term by the State Department of Agriculture
7 by rule.

8 (b) "Industrial hemp" has the meaning given that term in ORS 571.269.

9 (c) "Research grower license" has the meaning given that term by the department by
10 rule.

11 (2)(a) **The governing body of a county that, pursuant to ORS 401.309, declares a state of**
12 **emergency related to cannabis may notify the State Department of Agriculture of the dec-**
13 **laration and request that the department deny the issuance of grower licenses under ORS**
14 **571.281, including licenses for applicants that submitted applications for grower licenses un-**
15 **der ORS 571.281 on or after January 1, 2022, and prior to the effective date of this 2022 Act,**
16 **for grow sites located in an area subject to the jurisdiction of the county.**

17 (b) **A declaration of a state of emergency described in paragraph (a) of this subsection**
18 **must:**

19 (A) **Be for a duration that includes the entire growing season for industrial hemp, as**
20 **determined by the department; and**

21 (B) **Include a statement that denying the issuance of grower licenses under ORS 571.281**
22 **as described in paragraph (a) of this subsection may alleviate the conditions giving rise to**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **the declaration.**

2 (c) **The notification described in paragraph (a) of this subsection must be:**

3 (A) **Made annually for each year during which the governing body of a county declares**
4 **a state of emergency as described in paragraph (a) of this subsection; and**

5 (B) **Received by the department:**

6 (i) **Not later than March 15, 2022, for the 2022 growing season; and**

7 (ii) **Not later than January 1, 2023, for the 2023 growing season.**

8 (3) **When the department receives the notice and request described in this section, the**
9 **department shall deny the issuance of grower licenses under ORS 571.281 as described in**
10 **subsection (2) of this section.**

11 (4) **Notwithstanding subsection (3) of this section, the department may issue a grower**
12 **license under ORS 571.281 for a grow site located in an area subject to the jurisdiction of a**
13 **county described in subsection (2) of this section if the applicant held a valid grower license**
14 **or registration under ORS 571.281 during the 2020 or 2021 calendar year.**

15 (5) **The department may adopt rules to carry out this section.**

16 (6) **This section does not apply to research grower licenses.**

17 **SECTION 2. Section 1 of this 2022 Act is repealed on June 30, 2023.**

18 **SECTION 3.** Section 37, chapter 542, Oregon Laws 2021, is amended to read:

19 **Sec. 37.** (1) **The Task Force on Cannabis-Derived Intoxicants and Illegal Cannabis Production**
20 **is established.**

21 (2) **The task force consists of [15] 20 members appointed as follows:**

22 (a) **The President of the Senate shall appoint one member from among the members of the Sen-**
23 **ate;**

24 (b) **The Senate Minority Leader shall appoint one member from among the members of the Sen-**
25 **ate;**

26 (c) **The Speaker of the House of Representatives shall appoint one member from among the**
27 **members of the House of Representatives;**

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

30 (e) **The Governor shall appoint [11] 16 members as follows:**

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

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

33 (C) **One member who represents [law enforcement agencies] **sheriffs;****

34 (D) **One member who represents industrial hemp growers registered or licensed under ORS**
35 **571.281;**

36 (E) **One member who represents industrial hemp handlers registered or licensed under ORS**
37 **571.281;**

38 (F) **The director of the Oregon State University Global Hemp Innovation Center, or a designee**
39 **of the director;**

40 (G) **Two members who represent licensees, as defined in ORS [475B.015] **475C.009;****

41 (H) **The Director of Agriculture, or a designee of the director;**

42 (I) **The director of the Oregon Health Authority Public Health Division, or a designee of the**
43 **director; [and]**

44 (J) **The administrator of the Oregon Liquor [Control] **and Cannabis** Commission, or a designee**
45 **of the administrator[.];**

- 1 **(K) One member who represents district attorneys;**
2 **(L) The Commissioner of the Bureau of Labor and Industries, or a designee of the com-**
3 **missioner;**
4 **(M) The Water Resources Director, or designee of the director;**
5 **(N) One member who represents the Department of Justice; and**
6 **(O) One member who represents the Department of State Police.**
7 (3) The task force shall consider:
8 (a) Changes to state law to support the regulation of intoxicating cannabis-derived products and
9 artificially derived cannabinoids;
10 (b) The consolidation of administrative functions related to the regulation of cannabis;
11 (c) Methods to prevent sales to minors of industrial hemp commodities or products that contain
12 intoxicating cannabinoids;
13 (d) Regulation to address genetic engineering of cannabis;
14 (e) Testing requirements and methods of enforcement of testing requirements for cannabinoids,
15 including artificially derived cannabinoids, to protect the public health and safety;
16 (f) Policy changes related to interstate commerce and transportation of cannabis;
17 (g) Changes to state regulation of cannabis as a result of federal laws; *[and]*
18 **(h) Changes to state law to address labor trafficking;**
19 **(i) Changes to state law to address water theft and other unauthorized uses of water;**
20 **(j) Changes to state law relating to the processing of search warrants in order to in-**
21 **crease efficiency;**
22 **(k) Optimal funding sources and structure to enable the ongoing involvement of law**
23 **enforcement agencies in combatting illegal cannabis production; and**
24 *[(h)]* **(L) Input from marijuana and industrial hemp industry members.**
25 (4) A majority of the members of the task force constitutes a quorum for the transaction of
26 business.
27 (5) Official action by the task force requires the approval of a majority of the members of the
28 task force.
29 (6) The task force shall elect one of its members to serve as chairperson.
30 (7) If there is a vacancy for any cause, the appointing authority shall make an appointment to
31 become immediately effective.
32 (8) The task force shall meet at times and places specified by the call of the chairperson or of
33 a majority of the members of the task force.
34 (9) The task force may adopt rules necessary for the operation of the task force.
35 (10) Not later than June 30, 2022, the State Department of Agriculture shall report to the task
36 force on the implementation of *[section 18 of this 2021 Act]* **ORS 571.312.**
37 (11)(a) The task force shall submit a report in the manner provided by ORS 192.245, and shall
38 include initial findings and recommendations for legislation, to the interim committee of the Legis-
39 lative Assembly related to economic development no later than December 31, 2021.
40 (b) The task force shall submit a report in the manner provided by ORS 192.245, and shall in-
41 clude final findings and recommendations for legislation, to the interim committee of the Legislative
42 Assembly related to economic development no later than December 31, 2022. The report submitted
43 under this paragraph must include a summary of the information submitted to the task force by the
44 department under subsection (10) of this section.
45 (12) The Oregon Liquor *[Control]* **and Cannabis** Commission and the State Department of Agri-

1 culture, in consultation with the Oregon Health Authority, [and] the Department of Revenue, **the**
2 **Water Resources Department and the Bureau of Labor and Industries**, shall provide staff
3 support to the task force.

4 (13) Members of the task force who are not members of the Legislative Assembly are not enti-
5 tled to compensation or reimbursement for expenses and serve as volunteers on the task force.

6 (14) All agencies of state government, as defined in ORS 174.111, are directed to assist the task
7 force in the performance of the duties of the task force and, to the extent permitted by laws relating
8 to confidentiality, to furnish information and advice the members of the task force consider neces-
9 sary to perform their duties.

10 **SECTION 4. This 2022 Act being necessary for the immediate preservation of the public**
11 **peace, health and safety, an emergency is declared to exist, and this 2022 Act takes effect**
12 **on its passage.**

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