HOUSE AMENDMENTS TO HOUSE BILL 4121

By COMMITTEE ON JUDICIARY

February 15

1	On page 1 of the printed bill, line 3, after "475C.273" insert ", 475C.297" and after "475C.746"
2	insert ", 571.306".
3	On page 2, delete lines 30 through 45 and delete pages 3 through 5.
4	On page 6, delete lines 1 through 7 and insert:
5	
6	"INDUSTRIAL HEMP
7	
8	"SECTION 7. ORS 475C.297 is amended to read:
9	"475C.297. The Marijuana Control and Regulation Fund is established in the State Treasury,
10	separate and distinct from the General Fund. Interest earned by the Marijuana Control and Regu-
11	lation Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the
12	Oregon Liquor and Cannabis Commission to administer and enforce ORS 475C.005 to 475C.525,
13	475C.540 to 475C.586, 475C.600 to 475C.648, [and] 475C.925 and 571.309 and sections 2 and 4 of this
14	2024 Act.
15	"SECTION 8. ORS 571.306 is amended to read:
16	"571.306. [(1) A person licensed under ORS 571.281 may, within the boundaries of this state,
17	transport to or receive from:]
18	"[(a)] (1) A person licensed under ORS 571.281 or a laboratory licensed under ORS 475C.548
19	may, within the boundaries of this state, transport or receive industrial hemp or an industrial
20	hemp commodity that contains no more tetrahydrocannabinol than allowed by the State Department
21	of Agriculture by rule if the industrial hemp or industrial hemp used in the industrial hemp com-
22	modity originated from a crop [inspected under ORS 571.281 (7)] that was found to not contain an
23	average tetrahydrocannabinol concentration exceeding the concentration specified by the depart-
24	ment by rule.
25	"[(b)] (2) A person licensed under ORS 475C.085, 475C.093 or 475C.097 may, within the
26	boundaries of this state, receive from a person licensed under ORS 571.281 industrial hemp or
27	an industrial hemp commodity or product that contains no more tetrahydrocannabinol than allowed
28	by the Oregon Liquor and Cannabis Commission by rule if the industrial hemp or industrial hemp
29	used in the industrial hemp commodity or product originated from a crop [inspected under ORS
30	571.281 (7)] that was found to not contain an average tetrahydrocannabinol concentration exceeding
31	the concentration specified by the department by rule.
32	"[(2)] (3) Industrial hemp or an industrial hemp commodity or product transported or received
33	as described in this section may not be considered a 'marijuana item.'
34	" <u>SECTION 9.</u> ORS 571.309 is amended to read:
35	"571.309. The Oregon Liquor and Cannabis Commission, in consultation with the State Depart-

1 ment of Agriculture, shall adopt rules to establish:

2 "(1) The maximum concentration of tetrahydrocannabinol permitted in a single serving of an 3 industrial hemp product;

4 "(2) The maximum concentration of any other cannabinoid, adult use cannabinoid or artificially 5 derived cannabinoid that is permitted in a single serving of an industrial hemp product; [and]

6 "(3) The number of servings that are permitted in a package of industrial hemp products[.]; and 7 "(4) Standards for approving industrial hemp products that contain artificially derived 8 cannabinoids and that are intended for sale at retail. The rules adopted under this subsection 9 may not be more restrictive than the rules applicable to the sale at retail of adult use 10 cannabis items.

- 11
- 12 13

"INDUSTRIAL HEMP PRODUCT REGISTRATION

¹⁴ "<u>SECTION 10.</u> Sections 11 to 14a of this 2024 Act are added to and made a part of ORS
 ¹⁵ 571.260 to 571.348.

16 "<u>SECTION 11.</u> (1) As used in this section and sections 12 and 13 of this 2024 Act, 17 'cannabinoid' means any of the chemical compounds that are the active constituents derived 18 from industrial hemp.

"(2)(a) The Oregon Liquor and Cannabis Commission, in consultation with the State Department of Agriculture, shall establish a registration program for industrial hemp products that contain cannabinoids and are intended for human or animal consumption or use. An industrial hemp product described in this paragraph is not subject to the requirements of this section unless the industrial hemp product is in its final form and ready for sale, transfer or delivery to a consumer in this state.

25 "(b) A person that is located within or outside this state and that, as determined by the 26 commission by rule, is responsible for the manufacture, packaging or distribution of an in-27 dustrial hemp product described in paragraph (a) of this subsection shall, prior to selling, 28 transferring or delivering the industrial hemp product directly to a consumer in this state 29 or selling, transferring or delivering the industrial hemp product to a retailer in this state 30 for the purpose of sale to a consumer in this state:

"(A) Annually submit the information described in subsection (3) of this section to the
 commission in a manner specified by the commission by rule;

"(B) Include on the industrial hemp product a label that contains the information de scribed in subsection (4) of this section; and

"(C) Pay an annual registration fee established by the commission by rule.

36 "(3) A person described in subsection (2) of this section shall submit to the commission 37 the following information about an industrial hemp product that contains cannabinoids and 38 is intended for human or animal consumption or use:

- 39 "(a) The name and type of the product;
- 40 "(b) The name and physical address of the manufacturer of the product;
- 41 "(c) The mailing address of the manufacturer of the product;
- 42 "(d) A certificate of analysis for a batch of the product;
- 43 "(e) A copy of the label for the product;
- 44 "(f) A statement about whether the product is an adult use cannabis item; and

45 "(g) Any other information required by the commission by rule.

35

1	"(4) A person described in subsection (2) of this section shall label an industrial hemp
2	product that contains cannabinoids and is intended for human or animal consumption or use
3	with a label that contains the following information:
4	"(a) The name and type of the product;
5	"(b) The name and physical address of the manufacturer of the product;
6	"(c) The ingredients of the product;
7	"(d) The net weight or volume of the product;
8	"(e) The serving size and number of servings contained in a package of the product;
9	"(f) The potency of the product and a list of the cannabinoid contents of the product;
10	"(g) The address of a publicly accessible website that contains the certificate of analysis
11	for the product;
12	"(h) Health and safety warnings required by law or rule;
13	"(i) If the product is an adult use cannabis item, the following language:
14	"(A) 'For use only by adults 21 and older.'; and
15	"(B) 'Keep out of reach of children.';
16	"(j) If the product is a food product, any other information required by law or rule for
17	food products; and
18	(k) Any other information required by the commission by rule.
19	"(5) In adopting rules under subsection (4) of this section, the commission:
20	"(a) May establish different labeling standards for different types of industrial hemp
21	products that contain cannabinoids and are intended for human or animal consumption or
22	use, and may consider existing product quality requirements or standards applicable to dif-
23	ferent types of products; and
24	"(b) May not adopt rules that are more restrictive than is reasonably necessary to pro-
25	tect the public health and safety.
26	"(6) If an industrial hemp product is intended only for human consumption or use, the
27	person described in subsection (2) of this section shall comply with the requirements of ORS
28	571.337 and 571.339.
29	"(7)(a) The fee collected under this section may not exceed the cost of administering ORS
30	571.309 and sections 2, 4 and 11 to 14 of this 2024 Act.
31	"(b) Fees collected under this section shall be deposited in the Marijuana Control and
32	Regulation Fund established under ORS 475C.297.
33	"(8) A person is not required to submit to the commission the information described in
34	subsection (3) of this section for an industrial hemp product that contains cannabinoids and
35	is intended for human or animal consumption or use if another person has submitted the
36	information for the product and the product continues to be consistent with the previously
37	submitted information.
38	"(9) The commission may refuse to register an industrial hemp product that contains
39	cannabinoids and is intended for human or animal consumption or use if, based on the in-
40	formation described in subsection (3) or (4) of this section, the sale of the product to a con-
41	sumer is prohibited by section 12 of this 2024 Act or by the commission by rule.
42	"(10) This section does not apply to an industrial hemp product that:
43	"(a) Does not contain cannabinoids;
44	"(b) Is intended only for topical use;
45	"(c) Is an industrial hemp grain or fiber product that does not contain added

1 cannabinoids;

2 "(d) Is a commercial feed product for animals registered under ORS 633.006 to 633.089; 3 or

"(e) Is transported through this state en route to a final destination in another state.

"SECTION 12. A person may not sell, transfer or deliver to a consumer in this state an 5 industrial hemp product that contains cannabinoids and is intended for human or animal 6 7 consumption or use that:

8

4

"(1) Is not registered under section 11 of this 2024 Act.

"(2) Does not bear a label that meets the requirements of section 11 of this 2024 Act, or 9 bears a label that does not precisely indicate the contents of the container or that may de-10 11 ceive a consumer regarding the nature, composition, quantity, age or quality of the contents. "(3) Includes upon the packaging any untruthful or misleading statements, including but 1213not limited to, a health claim that is not supported by a consensus of publicly available scientific evidence, including evidence from well-designed studies conducted in a manner that 14 15is consistent with generally recognized scientific procedures and principles and for which there is significant scientific agreement among experts qualified by scientific training and 16 experience to evaluate such a claim. 17

"(4) Is attractive to minors, including by featuring: 18

19 "(a) A cartoon;

"(b) A design, brand or name that resembles a product that is not an industrial hemp 2021product that contains cannabinoids and is intended for human or animal consumption or use 22and is of a type typically marketed to minors;

"(c) A symbol or celebrity that is commonly used to market products to minors;

"(d) An image of minors; or 24

25"(e) Words that refer to products that are commonly associated with minors or marketed 26to minors.

27

23

"(5) In the commission's discretion:

"(a) Bears or contains any poisonous or deleterious substance, including but not limited 28 to tobacco or nicotine, in a quantity rendering the product injurious in a manner that may 29pose a risk to human health, or that exceeds any established safe tolerance; 30

"(b) Consists in whole or in part of any filthy, putrid or decomposed substance or is 3132otherwise unfit for human or animal consumption or use;

33 (c) Is processed, prepared, packaged or held under improper or insanitary conditions or under conditions that increase the probability of contamination with excessive 3435 microorganisms or physical contaminants or of cross-contamination;

"(d) Is held or packaged in containers composed, in whole or in part, of any poisonous 36 or deleterious substance that renders the contents potentially injurious to health; 37

38

"(e) Includes any substitute substance;

"(f) Is damaged or inferior; or 39

40 "(g) Includes any substance intended to increase the bulk or weight of the product, re-41 duce the quality or strength of the product or make the product appear better or of greater 42value.

43 "(6) Does not meet relevant minimum standards provided by the laws of this state.

44 "SECTION 13. Subject to ORS chapter 183, the Oregon Liquor and Cannabis Commission 45 may:

"(1) If the commission has reasonable cause to believe that any quantity or lot of indus-1 $\mathbf{2}$ trial hemp product that contains cannabinoids and is intended for human or animal consumption or use is sold, transferred or delivered in violation of section 11 or 12 of this 2024 3 4 Act or rules adopted pursuant to section 11 or 12 of this 2024 Act, issue and enforce an order to prohibit the disposal, distribution or use in any manner of the quantity or lot. The person 5 to whom the order is issued shall immediately remove from locations readily visible and ac-6 7 cessible to the public any product in packaged form that is subject to the order. The com-8 mission may enforce the order until all actions against the order, including any contested case, are resolved, and shall release from the order the product if the violation is cured. 9

10 "(2) Seize any quantity or lot that the commission determines does not comply with 11 section 11 or 12 of this 2024 Act or rules adopted under section 11 or 12 of this 2024 Act.

12 "<u>SECTION 14.</u> In addition to any other liability or penalty provided by law, the Oregon 13 Liquor and Cannabis Commission may impose a civil penalty, in the manner provided in ORS 14 183.745, not to exceed \$10,000 for each violation of a provision of section 11, 12 or 13 of this 15 2024 Act, a rule adopted pursuant to section 11, 12 or 13 of this 2024 Act or an order issued 16 by the commission under section 13 of this 2024 Act. Moneys collected under this section 17 shall be deposited in the General Fund and be available for general governmental purposes.

"<u>SECTION 14a.</u> The Oregon Liquor and Cannabis Commission may adopt rules to carry
 out sections 11 to 14 of this 2024 Act.

"SECTION 15. ORS 475C.297, as amended by section 7 of this 2024 Act, is amended to read:

"475C.297. The Marijuana Control and Regulation Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Marijuana Control and Regulation Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Oregon Liquor and Cannabis Commission to administer and enforce ORS 475C.005 to 475C.525, 475C.540 to 475C.586, 475C.600 to 475C.648, 475C.925 and 571.309 and sections 2, [and] 4 and 11 to 14 of this 2024 Act.

27

20

"<u>SECTION 16.</u> ORS 571.312 is repealed.

<u>* SECTION 17.</u> (1) Sections 11 to 14a of this 2024 Act, the amendments to ORS 475C.297
by section 15 of this 2024 Act and the repeal of ORS 571.312 by section 16 of this 2024 Act
become operative on January 1, 2026.

"(2) The Oregon Liquor and Cannabis Commission and the State Department of Agriculture may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the commission and the department to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the commission and the department by sections 11 to 14a of this 2024 Act, the amendments to ORS 475C.297 by section 15 of this 2024 Act and the repeal of ORS 571.312 by section 16 of this 2024 Act.".

- In line 11, delete "15" and insert "18" and delete "16" and insert "19".
- 39 In line 13, delete "16" and insert "19".
- 40 In line 30, delete "19" and insert "22".
- 41 In line 32, delete "17" and insert "20" and delete "16" and insert "19".
- 42 In line 34, delete "18" and insert "21".
- 43 In line 35, delete "16" and insert "19".
- 44 On page 7, line 16, delete "19" and insert "22" and delete "16" and insert "19".
- 45 In line 17, delete "18" and insert "21".

- 1 In line 21, delete "16" and insert "19".
- 2 In line 22, delete "18" and insert "21".
- 3 In line 23, delete "20" and insert "23".
- 4 In line 29, delete "21" and insert "24" and delete "22" and insert "25".
- 5 In line 31, delete "22" and insert "25".
- 6 On page 8, line 12, delete "23" and insert "26" and delete "22" and insert "25".
- 7 In line 16, delete "22" and insert "25".
- 8 In line 20, delete "24" and insert "27".
- 9 In line 34, delete "25" and insert "28".
- 10 On page 9, line 19, after "permit" insert "or temporary permit" in both places.
- 11 In line 36, delete "26" and insert "29".
- 12 On page 10, line 40, delete "27" and insert "30".
- 13 In line 44, delete the second "or".
- 14 In line 45, delete the period and insert "; or
- 15 "(c) Revoke or suspend a permit for actions that occurred while the permittee held a temporary
- 16 permit.".
- 17 On page 11, line 4, delete "28" and insert "31".
- 18 In line 20, delete "29" and insert "32".
- 19 On page 12, line 34, delete "30" and insert "33".
- 20 On page 13, line 2, delete "31" and insert "34".
- 21 In line 27, delete "32" and insert "35".
- 22 In line 28, delete "24 to 31" and insert "27 to 34".
- 23 In line 34, delete "24" and insert "27".
- 24 In line 35, delete "31" and insert "34".
- 25 In line 39, delete "33" and insert "36".
- 26 In line 45, delete "34" and insert "37".
- 27