

**HB 4072 A STAFF MEASURE SUMMARY**  
**House Committee On Agriculture and Land Use**

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**Action Date:** 02/12/20

**Action:** Do pass with amendments and be referred to Ways and Means. (Printed A-Eng.)

**Vote:** 7-0-0-0

**Yeas:** 7 - Boshart Davis, Clem, Helm, McLain, Post, Smith DB, Williams

**Fiscal:** Fiscal impact issued

**Revenue:** No revenue impact

**Prepared By:** Beth Reiley, LPRO Analyst

**Meeting Dates:** 2/5, 2/12

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**WHAT THE MEASURE DOES:**

Declares that the development and administration of the Oregon Hemp State Program (Program) will move the State of Oregon and its residents to the forefront of the hemp industry. Directs Oregon Department of Agriculture (ODA) to administer Program for studying growth, cultivation, and marketing of hemp. Requires ODA to adopt rules to implement State Plan in accordance with the Agriculture Improvement Act of 2018 (P.L. 115-334) and subsequent federal law; requires that rules conform, but are not more stringent than, the federal law. Authorizes ODA to charge license and license renewal fees in an amount reasonably calculated to pay for the cost of administering the program. Changes term "industrial hemp" to "hemp" and "registered grower" to "licensed grower." Requires ODA to conduct criminal records check of applicants for licensure related to hemp. Authorizes Oregon Health Authority, Oregon Liquor Control Commission, and ODA to take any action necessary to implement Act prior to effective date. Modifies limit to allow for the import and export of hemp products or commodities if it is less than one percent tetrahydrocannabinol and complies with certain statutes, rules, or orders of the federal Agriculture Improvement Act of 2018 (P.L. 115-334). Requires ODA to establish requirements by rule for commercial hemp shipments. Authorizes ODA to define commercial hemp shipment and shipment manifest by rule. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Previous hemp legislation considered by the legislature
- Interim work group to address additional issues
- Differentiating between marijuana and hemp
- Steps to reduce distribution of illegal marijuana

**EFFECT OF AMENDMENT:**

Clarifies Oregon Department of Agriculture's (ODA) authority for purpose of conducting a criminal records check. Declares that the development and administration of the Oregon Hemp State Program will move the State of Oregon and its residents to the forefront of the hemp industry. Expands definition of licensee to include "other person." Authorizes ODA to identify additional activities related to growing or handling hemp by rule, and may require licensure to engage in those activities. Authorizes ODA to issue, renew, suspend, revoke, or refuse to issue or renew a license for the identified activities. Removes authorization to prohibit applicant from reapplying for a license for a period of time if they have violated any other state law or rule adopted by ODA related to agricultural activities other than hemp. Authorizes ODA to issue license to grow or handle hemp on the date the previous registration is due for renewal to a grower who registered before October 31, 2020 and meets requirements for registration renewal. Authorizes certain agencies to take action prior to the operative date that is necessary to enable Oregon Liquor Control Commission and ODA to exercise its authority on or after the date. Stipulates that the import or export of hemp products or commodities to or from this state that contain less than one percent

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tetrahydrocannabinol and comply with certain statutes, rules, or orders or the federal Agriculture Improvement Act of 2018 (P.L. 115-334). Requires ODA to establish requirements by rule for commercial hemp shipments. Authorizes ODA to define commercial hemp shipment and shipment manifest by rule.

### **BACKGROUND:**

Industrial hemp is an agricultural product that is subject to regulation by the Oregon Department of Agriculture (ODA) and refers to cannabis varieties that are grown for fiber, seed, oil, or as a cover crop. The legislature has passed a series of laws related to industrial hemp over the past decade. In 2009, the Legislative Assembly enacted Senate Bill 676, which authorized the production, possession, and commerce of industrial hemp commodities in Oregon. Oregon's first industrial hemp grower was licensed by ODA in early 2015. In 2016, House Bill 4060 updated and clarified provisions related to the regulation of industrial hemp and authorized ODA to adopt rules to govern quality, packaging, and labeling of industrial hemp seed. In 2017, House Bill 1015 provided for processing and sales of industrial hemp concentrates and extracts. In 2018, House Bill 4089 established the Oregon Industrial Hemp Agricultural Pilot Program, an agricultural hemp seed certificate program, the Industrial Hemp Fund, and further modified industrial hemp statutes related to testing, regulation, personal possession, and tetrahydrocannabinol concentration limits.

House Bill 4072-A directs ODA to administer the Oregon Hemp State Program for studying growth, cultivation, and marketing of hemp and requires ODA to adopt rules to implement the State Plan in accordance with federal law.