

## HB 2284 -1, -2 STAFF MEASURE SUMMARY

### House Committee On Agriculture and Natural Resources

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**Prepared By:** Stuty Maskey, LPRO Analyst

**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 1/28, 4/8

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#### WHAT THE MEASURE DOES:

States the importance of and support for the Oregon hemp industry and the purposes of the 2021 Act. Directs the Oregon Department of Agriculture (ODA) to: monitor the implementation of the Oregon Hemp Commission's (OHC) goals and budget; promote cooperation among the OHC, commodity commissions, the Oregon Beef Council, and Oregon Wheat Commission; carry out assigned organizational procedures including the appointment and removal of OHC members; review OHC budgets submitted to the ODA Director (Director); and adopt rules to carry out this 2021 Act. Requires that ODA review OHC plans and projects for promotion, advertising, research, and information dissemination. Directs the Director to appoint seven temporary OHC members as specified for OHC rule adoption, appoint OHC commissioners as specified and in accordance with adopted rules, and consider appointment recommendations by commodity commissions, producers, and producer associations. Specifies requirements related to commission member, officer, and employee payment, and meeting locations. Lists OHC duties. Requires OHC to: adopt a budget, obtain budget approval, submit financial statements, and receive, deposit, invest, expend, and budget moneys in the same manner as a commodity commission. Authorizes OHC to accept grants, donations, or contributions from any source. Authorizes the Department of Administrative Services (DAS) to assist, upon request by OHC, with the purchase, acquisition, or provision of services, equipment, and materials, and establishes a reimbursement process. Authorizes ODA to charge and collect an assessment or fee from OHC to reimburse ODA for mandatory supervisory or administrative functions. Allows OHC to develop hemp-related intellectual property, and establishes provisions for contracts, moneys, ownership, management, disposal, and use of that property. Authorizes OHC to establish certain assessments, levies, and collections by rule or as specified. Requires that certain handlers or processors report hemp transfers or sales on OHC forms. Requires that persons who pay or collect hemp assessments maintain accurate records, and authorizes OHC to inspect, audit, and subpoena records to determine the accuracy of assessments paid or due to OHC. Establishes penalties and process for delinquent payments or failed transmittal of assessment moneys. Requires OHC to adopt an annual budget as specified, subject to public hearing and notice requirements, and requiring final certification and approval from the Director. Operative January 1, 2022. Takes effect 91st day following adjournment sine die.

*REVENUE: May have revenue impact, but no statement yet issued.*

*FISCAL: May have fiscal impact, but no statement yet issued.*

#### ISSUES DISCUSSED:

##### EFFECT OF AMENDMENT:

-1 Changes requirement for temporary members and commissioners of the Oregon Hemp Commission to have produced or processed hemp under a license or registration from three years to two years prior to appointment. Requires temporary members adopt rules providing a recommendation process for commissioner removal. Removes provision that requires rule amendments adopted by temporary members be applied to commission appointments made after the effective date of the rule amendment. Requires the Director of Agriculture to immediately declare the office of a member of the Oregon Hemp Commission, who is a member of public, vacant if the director finds that the member has become a producer or processor. Requires that Commission rules must

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specify the minimum amount of payment for commission members. Requires that Commission rules must specify the minimum amount of payment for necessary travel and other expenses reasonably incurred for the performance of official duties. Changes mechanisms for market expansion and development from paid print, electronic and position advertising to paid print and electronic. Adds requirement for commission to obtain services with approval from the Department of Justice in addition to Department of Agriculture. Specifies State Department of Agriculture as the authority to review the contract for the adequacy of clauses pertaining to statement of work, starting and ending dates, subcontracts or any clause the department deems necessary. Authorizes Oregon Hemp Commission to assess, levy and collect an assessment in an amount determined by rule, on all units of commodity grown or produced in this state sold or transferred in commercial channels. Removes the provision that allowed the commission to collect assessment only when the person required to pay an assessment and the person responsible for collection are related businesses.

*REVENUE: May have revenue impact, but no statement yet issued.*

*FISCAL: May have fiscal impact, but no statement yet issued.*

-2 Requires temporary members adopt rules providing for recommending the removal of a commissioner. Removes provision that requires rule amendments adopted by temporary members be applied to commission appointments made after the effective date of the rule amendment. Requires the Director of Agriculture to immediately declare the office of a member of the Oregon Hemp Commission, who is a member of public, vacant if the director finds that the member has become a producer or processor. Requires that Commission rules must specify the minimum amount of payment for commission members. Requires that Commission rules must specify the minimum amount of payment for necessary travel and other expenses reasonably incurred for the performance of official duties. Changes mechanisms for market expansion and development from paid print, electronic and position advertising to paid print and electronic. Adds requirement for commission to obtain services with approval from the Department of Justice in addition to Department of Agriculture. Specifies State Department of Agriculture as the authority to review the contract for the adequacy of clauses pertaining to statement of work, starting and ending dates, subcontracts or any clause the department deems necessary. Adds authority for Oregon Hemp Commission to assess, levy and collect an assessment in an amount determined by rule, on all units of commodity grown or produced in this state transferred in commercial channels. Removes the provision that allowed the commission to collect assessment only when the person required to pay an assessment and the person responsible for collection are related businesses.

*REVENUE: Revenue impact issued*

*FISCAL: Has minimal fiscal impact*

### **BACKGROUND:**

Industrial hemp is an agricultural product 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 over the past decade as the industry has evolved: 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 concerning quality, packaging, and labeling of industrial hemp seed; Senate Bill 1015 (2017) provided for the processing and sale of industrial hemp concentrates and extracts; and House Bill 4089 (2018) established the Oregon Industrial Hemp Agricultural Pilot Program and an agricultural hemp seed certificate program, and further refined statutes governing testing, regulation, personal possession, and limits on THC concentration.

House Bill 2284 would create a framework for the Oregon Hemp Commission overseen by the Oregon Department of Agriculture.