

A-Engrossed
House Bill 2671

Ordered by the House April 19
Including House Amendments dated April 19

Sponsored by Representatives SMITH DB, MORGAN (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.

[Directs State Department of Agriculture to issue research license to qualified applicant. Allows licensed researcher to collect samples of industrial hemp crops that exceed tetrahydrocannabinol limit to perform studies related to crop biochemistry.]

Directs State Department of Agriculture to adopt rules to require industrial hemp grower to report to department loss of crop or intention to not plant industrial hemp crop. Requires grower ordered to destroy or remediate specified industrial hemp crop to provide documentation to department of destruction or remediation. Directs department to take specified actions if person plants industrial hemp crop prior to applying for grower registration. Establishes civil penalty not to exceed \$10,000 applicable to certain persons for industrial hemp crop that contains specified tetrahydrocannabinol concentration.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to hemp; creating new provisions; amending ORS 571.285 and 571.348; and prescribing an
3 effective date.

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

5 **SECTION 1. Sections 2 to 4 of this 2021 Act are added to and made a part of ORS 571.260**
6 **to 571.348.**

7 **SECTION 2. (1) The State Department of Agriculture shall adopt rules to require that a**
8 **grower registered under ORS 571.281 accurately report to the department:**

9 (a) **That the grower does not intend to plant an industrial hemp crop at the location for**
10 **which a registration is issued under ORS 571.281; or**

11 (b) **Any loss of all or part of an industrial hemp crop.**

12 (2) **The rules adopted under this section must include a timeline for reporting to the de-**
13 **partment and may include other rules necessary to carry out this section.**

14 **SECTION 3. (1) If the industrial hemp crop of a grower registered under ORS 571.281 is**
15 **found to contain an average tetrahydrocannabinol concentration that exceeds the limit de-**
16 **scribed in ORS 571.281 (7) and the State Department of Agriculture requires the grower to**
17 **destroy or remediate the industrial hemp crop, the grower shall provide documentation to**
18 **the department of the destruction or remediation.**

19 (2) **The department shall adopt rules to carry out this section, including rules to specify**
20 **acceptable documentation for purposes of subsection (1) of this section and timelines for**
21 **providing the documentation to the department.**

22 **SECTION 4. (1) If a person plants an industrial hemp crop or commits a violation of ORS**
23 **571.260 to 571.348 prior to applying for a grower registration under ORS 571.281, the State**

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 **Department of Agriculture shall:**

2 (a) **Prioritize the person's industrial hemp crop for inspection under ORS 571.281 (7), if**
3 **the person planted the industrial hemp crop as described in this subsection; and**

4 (b) **Require the person to enter into a corrective action plan with the department.**

5 (2) **If the person described in subsection (1) of this section does not enter into a correc-**
6 **tive action plan pursuant to subsection (1) of this section, the department may not issue a**
7 **registration to the person under ORS 571.281.**

8 (3) **The department may adopt rules to carry out this section, including rules to establish**
9 **the corrective action plan described in subsection (1) of this section.**

10 **SECTION 5.** ORS 571.285 is amended to read:

11 571.285. (1) Subject to the provisions of ORS chapter 183, the State Department of Agriculture
12 may revoke the registration of a grower, handler or agricultural hemp seed producer or refuse to
13 register or renew the registration if a grower, handler or agricultural hemp seed producer violates:

14 (a) A provision of ORS 571.260 to 571.348;

15 (b) A rule adopted under a provision of ORS 571.260 to 571.348;

16 (c) An order issued by the department pursuant to a provision of ORS 571.260 to 571.348 or a
17 rule adopted under a provision of ORS 571.260 to 571.348, **including an order of detainment issued**
18 **under ORS 571.281;** or

19 (d) Any statutory law or department rule related to agricultural activities other than industrial
20 hemp operations.

21 (2) The department may not discipline a grower, handler or agricultural hemp seed producer
22 under this section on the basis that possessing, delivering and manufacturing industrial hemp are
23 prohibited by federal law.

24 **SECTION 6.** ORS 571.348 is amended to read:

25 571.348. (1) Subject to the provisions of ORS chapter 183, the State Department of Agriculture
26 may impose a civil penalty not to exceed \$2,500 on a person for violating:

27 (a) A provision of ORS 571.260 to 571.348;

28 (b) A rule adopted under a provision of ORS 571.260 to 571.348; or

29 (c) An order issued by the department pursuant to a provision of ORS 571.260 to 571.348 or a
30 rule adopted under a provision of ORS 571.260 to 571.348.

31 (2) **In addition to the penalty described in subsection (1) of this section, subject to the**
32 **provisions of ORS chapter 183, the department may impose a civil penalty not to exceed**
33 **\$10,000 on a person if the person is a grower registered under ORS 571.281 and the depart-**
34 **ment determines that the person's industrial hemp crop contains an average**
35 **tetrahydrocannabinol concentration of at least 10 percent on a dry weight basis.**

36 [(2)] (3) The department may not discipline a person under this section on the basis that pos-
37 sessed, delivering and manufacturing industrial hemp are prohibited by federal law.

38 [(3)] (4) All moneys collected by the department under this section shall be deposited in the
39 General Fund in the State Treasury to the credit of the Industrial Hemp Fund established under
40 ORS 571.278.

41 **SECTION 7.** (1) **Sections 2 to 4 of this 2021 Act and the amendments to ORS 571.285 and**
42 **571.348 by sections 5 and 6 of this 2021 Act become operative on January 1, 2022.**

43 (2) **The State Department of Agriculture and the Oregon Liquor Control Commission may**
44 **take any action before the operative date specified in subsection (1) of this section that is**
45 **necessary to enable the department and the commission to exercise, on or after the opera-**

1 **tive date specified in subsection (1) of this section, all of the duties, functions and powers**
2 **conferred on the department and the commission by sections 2 to 4 of this 2021 Act and the**
3 **amendments to ORS 571.285 and 571.348 by sections 5 and 6 of this 2021 Act.**

4 **SECTION 8. This 2021 Act takes effect on the 91st day after the date on which the 2021**
5 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**

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