

# A-Engrossed House Bill 3000

Ordered by the House April 16  
Including House Amendments dated April 16

Sponsored by Representative WILDE

## 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 Oregon Liquor Control Commission to study cannabis. Requires report to interim committee of Legislative Assembly related to judiciary.]*

*[Sunsets January 2, 2022.]*

**Defines “adult use cannabis item,” “artificially derived cannabinoid” and “tetrahydrocannabinol” for statutes related to marijuana and industrial hemp. Authorizes Oregon Liquor Control Commission to regulate artificially derived cannabinoids. Requires industrial hemp commodities or products intended for human consumption to be processed by licensed marijuana processor. Prohibits person other than licensed marijuana retailer from selling specified industrial hemp commodity or product to consumer. Requires commission to adopt rules establishing maximum concentration of tetrahydrocannabinol and other cannabinoids, including artificially derived cannabinoids, in single serving of cannabinoid product.**

**Directs State Department of Agriculture to administer Oregon Hemp State Program for production, processing and sale of industrial hemp. Requires department to conduct criminal records check on applicant for industrial hemp grower license. Directs commission, in consultation with department, to adopt by rule maximum concentration of tetrahydrocannabinol, other cannabinoids and artificially derived cannabinoids in single servings of industrial hemp product. Allows marijuana processor to transfer, sell or transport industrial hemp commodity or product to person that is not a marijuana processor, retailer or wholesaler if commodity or product meets specified requirements. Prohibits sale of industrial hemp commodity or product intended for human consumption to consumer unless commodity or product meets specified requirements.**

**Establishes Task Force on Cannabis-Derived Intoxicants. Requires task force to submit interim report not later than December 31, 2021, and final report not later than December 31, 2022, to interim committee of Legislative Assembly related to economic development.**

**Declares emergency, effective on passage.**

## A BILL FOR AN ACT

1  
2 Relating to cannabis; creating new provisions; amending ORS 475B.015, 475B.025, 475B.090, 475B.211,  
3 475B.227, 475B.254, 475B.529, 475B.550, 475B.600, 475B.625, 571.260, 571.263, 571.269, 571.272,  
4 571.281, 571.285, 51.288, 571.294, 571.302, 571.327, 571.330, 571.336, 571.337, 571.339, 571.341 and  
5 571.345; and declaring an emergency.

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

## STATUTES RELATED TO MARIJUANA

7  
8  
9  
10 **SECTION 1.** ORS 475B.015 is amended to read:

11 475B.015. As used in ORS 475B.010 to 475B.545:

12 (1)(a) **“Adult use cannabis item” means:**

13 (A) **An item derived from the plant Cannabis family Cannabaceae that contains**  
14 **tetrahydrocannabinol;**

**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       **(B) A marijuana item; or**  
2       **(C) An industrial hemp commodity or product that exceeds:**  
3       **(i) The concentration of tetrahydrocannabinol established by the Oregon Liquor Control**  
4 **Commission, in consultation with the Oregon Health Authority, by rule; or**  
5       **(ii) The greater of:**  
6       **(I) A concentration of more than 0.3 percent tetrahydrocannabinol; or**  
7       **(II) The concentration of tetrahydrocannabinol allowed under federal law.**  
8       **(b) “Adult use cannabis item” does not include an industrial hemp commodity or product**  
9 **that:**  
10      **(A) Contains the greater of:**  
11      **(i) A concentration of tetrahydrocannabinol less than or equal to 0.3 percent; or**  
12      **(ii) Less than or equal to the concentration of tetrahydrocannabinol allowed under fed-**  
13 **eral law; and**  
14      **(B) Does not exceed the concentration of tetrahydrocannabinol established by the com-**  
15 **mission, in consultation with the authority, by rule.**  
16      **(2) “Artificially derived cannabinoid” means a chemical compound that is created by**  
17 **chemical reaction with any chemical compound derived from the plant Cannabis family**  
18 **Cannabaceae.**  
19      **[(1)] (3) “Cannabinoid” means any of the chemical compounds that are the active constituents**  
20 **derived from marijuana.**  
21      **[(2)] (4) “Cannabinoid concentrate” means a substance obtained by separating cannabinoids from**  
22 **marijuana by:**  
23      **(a) A mechanical extraction process;**  
24      **(b) A chemical extraction process using a nonhydrocarbon-based solvent, such as water, vege-**  
25 **table glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;**  
26      **(c) A chemical extraction process using carbon dioxide, provided that the process does not in-**  
27 **volve the use of high heat or pressure; or**  
28      **(d) Any other process identified by the [Oregon Liquor Control] commission, in consultation with**  
29 **the [Oregon Health] authority, by rule.**  
30      **[(3)] (5) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concen-**  
31 **trate, cannabinoid extract or dried marijuana leaves or flowers have been incorporated.**  
32      **[(4)] (6) “Cannabinoid extract” means a substance obtained by separating cannabinoids from**  
33 **marijuana by:**  
34      **(a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane**  
35 **or propane;**  
36      **(b) A chemical extraction process using carbon dioxide, if the process uses high heat or pres-**  
37 **sure; or**  
38      **(c) Any other process identified by the commission, in consultation with the authority, by rule.**  
39      **[(5)(a)] (7)(a) “Cannabinoid product” means a cannabinoid edible and any other product intended**  
40 **for human consumption or use, including a product intended to be applied to the skin or hair, that**  
41 **contains cannabinoids or dried marijuana leaves or flowers.**  
42      **(b) “Cannabinoid product” does not include:**  
43      **(A) Usable marijuana by itself;**  
44      **(B) A cannabinoid concentrate by itself;**  
45      **(C) A cannabinoid extract by itself; or**

1 (D) Industrial hemp, as defined in ORS 571.269.

2 [(6)] (8) “Consumer” means a person who purchases, acquires, owns, holds or uses marijuana  
3 items other than for the purpose of resale.

4 [(7)] (9) “Deliver” means the actual, constructive or attempted transfer from one person to an-  
5 other of a marijuana item, whether or not there is an agency relationship.

6 [(8)] (10) “Designated primary caregiver” has the meaning given that term in ORS 475B.791.

7 [(9)(a)] (11)(a) “Financial consideration” means value that is given or received either directly  
8 or indirectly through sales, barter, trade, fees, charges, dues, contributions or donations.

9 (b) “Financial consideration” does not include marijuana, cannabinoid products or cannabinoid  
10 concentrates that are delivered within the scope of and in compliance with ORS 475B.301.

11 [(10)] (12) “Homegrown” means grown by a person 21 years of age or older for noncommercial  
12 purposes.

13 [(11)] (13) “Household” means a housing unit and any place in or around a housing unit at which  
14 the occupants of the housing unit are producing, processing, possessing or storing homegrown  
15 marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

16 [(12)] (14) “Housing unit” means a house, an apartment or a mobile home, or a group of rooms  
17 or a single room that is occupied as separate living quarters, in which the occupants live and eat  
18 separately from any other persons in the building and that has direct access from the outside of the  
19 building or through a common hall.

20 [(13)] (15) “Immature marijuana plant” means a marijuana plant that is not flowering.

21 (16) **“Industrial hemp” has the meaning given that term in ORS 571.269.**

22 [(14)] (17) “Licensee” means a person that holds a license issued under ORS 475B.070, 475B.090,  
23 475B.100 or 475B.105.

24 [(15)] (18) “Licensee representative” means an owner, director, officer, manager, employee, agent  
25 or other representative of a licensee, to the extent that the person acts in a representative capacity.

26 [(16)(a)] (19)(a) “Manufacture” means producing, propagating, preparing, compounding, convert-  
27 ing or processing a marijuana item, either directly or indirectly, by extracting from substances of  
28 natural origin.

29 (b) “Manufacture” includes any packaging or repackaging of a marijuana item or the labeling  
30 or relabeling of a container containing a marijuana item.

31 [(17)(a)] (20)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the  
32 plant Cannabis family Cannabaceae and marijuana seeds.

33 (b) “Marijuana” does not include:

34 (A) Industrial hemp, as defined in ORS 571.269; or

35 (B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one  
36 or more cannabinoids, that are approved by the United States Food and Drug Administration and  
37 dispensed by a pharmacy, as defined in ORS 689.005.

38 [(18)] (21) “Marijuana flowers” means the flowers of the plant genus Cannabis within the plant  
39 family Cannabaceae.

40 [(19)] (22) “Marijuana items” means marijuana, cannabinoid products, cannabinoid concentrates  
41 and cannabinoid extracts.

42 [(20)] (23) “Marijuana leaves” means the leaves of the plant genus Cannabis within the plant  
43 family Cannabaceae.

44 [(21)] (24) “Marijuana processor” means:

45 (a) A person that processes marijuana items in this state[.]; or

1       **(b) A person that holds a license issued under ORS 475B.090 and processes industrial**  
2 **hemp commodities or products pursuant to ORS 571.336 or section 17 of this 2021 Act.**

3       [(22)] **(25)** “Marijuana producer” means a person that produces marijuana in this state.

4       [(23)] **(26)** “Marijuana retailer” means a person that sells marijuana items to a consumer in this  
5 state.

6       [(24)(a)] **(27)(a)** “Marijuana seeds” means the seeds of the plant Cannabis family Cannabaceae.

7       (b) “Marijuana seeds” does not include the seeds of industrial hemp, as defined in ORS 571.269.

8       [(25)] **(28)** “Marijuana wholesaler” means a person that purchases marijuana items in this state  
9 for resale to a person other than a consumer.

10       [(26)] **(29)** “Mature marijuana plant” means a marijuana plant that is not an immature marijuana  
11 plant.

12       [(27)] **(30)** “Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid  
13 extract” means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a  
14 concentration of tetrahydrocannabinol that is permitted under ORS 475B.625 in a single serving of  
15 the cannabinoid product, cannabinoid concentrate or cannabinoid extract for consumers who hold  
16 a valid registry identification card issued under ORS 475B.797.

17       [(28)] **(31)** “Medical purpose” means a purpose related to using usable marijuana, cannabinoid  
18 products, cannabinoid concentrates or cannabinoid extracts to mitigate the symptoms or effects of  
19 a debilitating medical condition, as defined in ORS 475B.791.

20       [(29)] **(32)** “Noncommercial” means not dependent or conditioned upon the provision or receipt  
21 of financial consideration.

22       [(30)(a)] **(33)(a)** “Premises” includes the following areas of a location licensed under ORS  
23 475B.010 to 475B.545:

24       (A) All public and private enclosed areas at the location that are used in the business operated  
25 at the location, including offices, kitchens, rest rooms and storerooms;

26       (B) All areas outside a building that the commission has specifically licensed for the processing,  
27 wholesale sale or retail sale of marijuana items; and

28       (C) For a location that the commission has specifically licensed for the production of marijuana  
29 outside a building, that portion of the location used to produce marijuana.

30       (b) “Premises” does not include a primary residence.

31       [(31)(a)] **(34)(a)** “Processes” means the processing, compounding or conversion of:

32       **(A)** Marijuana into cannabinoid products, cannabinoid concentrates or cannabinoid extracts[.];

33 **or**

34       **(B) Industrial hemp or industrial hemp commodities or products into industrial hemp**  
35 **commodities or products that contain cannabinoids and are intended for human consumption**  
36 **or use.**

37       (b) “Processes” does not include packaging or labeling.

38       [(32)(a)] **(35)(a)** “Produces” means the manufacture, planting, cultivation, growing or harvesting  
39 of marijuana.

40       (b) “Produces” does not include:

41       (A) The drying of marijuana by a marijuana processor, if the marijuana processor is not other-  
42 wise producing marijuana; or

43       (B) The cultivation and growing of an immature marijuana plant by a marijuana processor,  
44 marijuana wholesaler or marijuana retailer if the marijuana processor, marijuana wholesaler or  
45 marijuana retailer purchased or otherwise received the plant from a licensed marijuana producer.

1 [(33)] (36) “Propagate” means to grow immature marijuana plants or to breed or produce  
2 marijuana seeds.

3 [(34)] (37) “Public place” means a place to which the general public has access and includes,  
4 but is not limited to, hallways, lobbies and other parts of apartment houses and hotels not consti-  
5 tuting rooms or apartments designed for actual residence, and highways, streets, schools, places of  
6 amusement, parks, playgrounds and areas used in connection with public passenger transportation.

7 [(35)] (38) “Registry identification cardholder” has the meaning given that term in ORS 475B.791.

8 (39) **“Tetrahydrocannabinol” includes all tetrahydrocannabinols that are artificially or**  
9 **naturally derived, including but not limited to Delta-8 tetrahydrocannabinol and Delta-9**  
10 **tetrahydrocannabinol and the optical isomers of Delta-8 or Delta-9 tetrahydrocannabinol, and**  
11 **any artificially derived cannabinoid that is reasonably determined to have an intoxicating**  
12 **effect.**

13 [(36)(a)] (40)(a) “Usable marijuana” means the dried leaves and flowers of marijuana.

14 (b) “Usable marijuana” does not include:

15 (A) Marijuana seeds;

16 (B) The stalks and roots of marijuana; or

17 (C) Waste material that is a by-product of producing or processing marijuana.

18 **SECTION 2.** ORS 475B.025 is amended to read:

19 475B.025. (1) The Oregon Liquor Control Commission has the duties, functions and powers  
20 specified in ORS 475B.010 to 475B.545 and the powers necessary or proper to enable the commission  
21 to carry out the commission’s duties, functions and powers under ORS 475B.010 to 475B.545. The  
22 jurisdiction, supervision, duties, functions and powers of the commission extend to any person that  
23 produces, processes, transports, delivers, sells or purchases a marijuana item in this state. The  
24 commission may sue and be sued.

25 (2) The duties, functions and powers of the commission specified in ORS 475B.010 to 475B.545  
26 include the following:

27 (a) To regulate the production, processing, transportation, delivery, sale and purchase of  
28 marijuana items in accordance with the provisions of ORS 475B.010 to 475B.545.

29 (b) To issue, renew, suspend, revoke or refuse to issue or renew licenses for the production,  
30 processing or sale of marijuana items, or other licenses related to the consumption of marijuana  
31 items, and to permit, in the commission’s discretion, the transfer of a license between persons.

32 (c) To adopt, amend or repeal rules as necessary to carry out the intent and provisions of ORS  
33 475B.010 to 475B.545, including rules that the commission considers necessary to protect the public  
34 health and safety.

35 (d) To exercise all powers incidental, convenient or necessary to enable the commission to ad-  
36 minister or carry out the provisions of ORS 475B.010 to 475B.545 or any other law of this state that  
37 charges the commission with a duty, function or power related to marijuana. Powers described in  
38 this paragraph include, but are not limited to:

39 (A) Issuing subpoenas;

40 (B) Compelling the attendance of witnesses;

41 (C) Administering oaths;

42 (D) Certifying official acts;

43 (E) Taking depositions as provided by law;

44 (F) Compelling the production of books, payrolls, accounts, papers, records, documents and tes-  
45 timony; and

1 (G) Establishing fees in addition to the application, licensing and renewal fees described in ORS  
2 475B.070, 475B.090, 475B.100 and 475B.105, provided that any fee established by the commission is  
3 reasonably calculated not to exceed the cost of the activity for which the fee is charged.

4 (e) To adopt rules regulating and prohibiting advertising marijuana items in a manner:

5 (A) That is appealing to minors;

6 (B) That promotes excessive use;

7 (C) That promotes illegal activity; or

8 (D) That otherwise presents a significant risk to public health and safety.

9 (f) To regulate the use of marijuana items for other purposes as deemed necessary or appropri-  
10 ate by the commission.

11 (g) To establish pilot programs, of not more than three years in duration, to expand access to  
12 marijuana for medical use for registry identification cardholders and designated primary caregivers,  
13 as defined in ORS 475B.791.

14 **(h) To regulate the processing, transportation, delivery, sale and purchase of artificially**  
15 **derived cannabinoids in accordance with the provisions of ORS 475B.010 to 475B.545.**

16 (3) Fees collected pursuant to subsection (2)(d)(G) of this section shall be deposited in the  
17 Marijuana Control and Regulation Fund established under ORS 475B.296.

18 **SECTION 3.** ORS 475B.090 is amended to read:

19 475B.090. (1) The processing of marijuana items is subject to regulation by the Oregon Liquor  
20 Control Commission.

21 (2) A marijuana processor must have a processor license issued by the commission for the  
22 premises at which marijuana items **or industrial hemp commodities or products** are processed.  
23 To hold a processor license under this section, a marijuana processor:

24 (a) Must apply for a license in the manner described in ORS 475B.040;

25 (b) Must provide proof that the applicant is 21 years of age or older;

26 (c) If the marijuana processor processes marijuana extracts[,] **or industrial hemp extracts, as**  
27 **defined in ORS 571.269**, may not be located in an area zoned exclusively for residential use; and

28 (d) Must meet the requirements of any rule adopted by the commission under subsection (3) of  
29 this section.

30 (3) The commission shall adopt rules that:

31 (a) Require a marijuana processor to annually renew a license issued under this section;

32 (b) Establish application, licensure and renewal of licensure fees for marijuana processors;

33 (c) Require marijuana processed by a marijuana processor to be tested in accordance with ORS  
34 475B.555;

35 **(d) Require industrial hemp commodities and products processed by a marijuana**  
36 **processor to meet any requirements for industrial hemp commodities or products established**  
37 **under ORS 571.260 to 571.348 or rules adopted under ORS 571.260 to 571.348;**

38 [(d)] (e) Allow a marijuana processor registered under ORS 475B.139 to process marijuana and  
39 usable marijuana into medical grade cannabinoid products, cannabinoid concentrates and  
40 cannabinoid extracts in the same manner that rules adopted under ORS 475B.010 to 475B.545 allow  
41 a marijuana processor to process marijuana and usable marijuana into general use cannabinoid  
42 products, cannabinoid concentrates and cannabinoid extracts, excepting those circumstances where  
43 differentiating between the processing of medical grade cannabinoid products, cannabinoid concen-  
44 trates and cannabinoid extracts and the processing of general use cannabinoid products, cannabinoid  
45 concentrates and cannabinoid extracts is necessary to protect the public health and safety; and

1 [e] (f) Require a marijuana processor to meet any public health and safety standards and in-  
2 dustry best practices established by the commission by rule related to:

3 (A) Cannabinoid edibles;

4 (B) Cannabinoid concentrates;

5 (C) Cannabinoid extracts; and

6 (D) Any other type of cannabinoid product **or industrial hemp commodity or product** identi-  
7 fied by the commission by rule.

8 (4) Fees adopted under subsection (3)(b) of this section:

9 (a) May not exceed, together with other fees collected under ORS 475B.010 to 475B.545, the cost  
10 of administering ORS 475B.010 to 475B.545; and

11 (b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS  
12 475B.296.

13 **SECTION 4.** ORS 475B.211 is amended to read:

14 475B.211. Except for a marijuana retailer registered under ORS 475B.146 to sell or deliver  
15 marijuana items to a registry identification cardholder who is 18 years of age or older, a licensee  
16 or licensee representative may not sell or deliver [*a marijuana item*] **an adult use cannabis item**  
17 to a person under 21 years of age.

18 **SECTION 5.** ORS 475B.227 is amended to read:

19 475B.227. (1) For purposes of this section:

20 (a) "Export" includes placing a marijuana item in any mode of transportation for hire, such as  
21 luggage, mail or parcel delivery, even if the transportation of the marijuana item is intercepted prior  
22 to the marijuana item leaving this state.

23 (b) "Marijuana item" includes **an industrial hemp** [*products and commodities*] **commodity or**  
24 **product** that [*contain more than 0.3 percent tetrahydrocannabinol.*] **exceeds:**

25 **(A) The concentration of tetrahydrocannabinol established by the Oregon Liquor Control**  
26 **Commission, in consultation with the Oregon Health Authority, by rule; or**

27 **(B) The greater of:**

28 **(i) A concentration of 0.3 percent tetrahydrocannabinol; or**

29 **(ii) The concentration of tetrahydrocannabinol allowed under federal law.**

30 (2) A person may not import marijuana items into this state or export marijuana items from this  
31 state.

32 (3) [*Except as provided in subsection (4) of this section,*] A violation of this section is a Class B  
33 violation[.], **except:**

34 **(a) As provided in subsection (4) of this section; or**

35 **(b) If the item is industrial hemp and does not exceed a tetrahydrocannabinol concen-**  
36 **tration of one percent.**

37 (4) A violation of this section is a:

38 (a) Class A misdemeanor, if the importation or exportation:

39 (A) Is not for consideration and the person holds a license issued under ORS 475B.070, 475B.090,  
40 475B.100 or 475B.105; or

41 (B) Concerns an amount of marijuana items that exceeds the applicable maximum amount spec-  
42 ified in ORS 475B.337 (1)(a) to (f).

43 (b) Class C felony, if the importation or exportation:

44 (A) Is for consideration and the person holds a license issued under ORS 475B.070, 475B.090,  
45 475B.100 or 475B.105;

1 (B) Concerns an amount of marijuana items that exceeds 16 times the applicable maximum  
2 amount specified in ORS 475B.337 (1)(a) to (f); or

3 (C) Concerns a cannabinoid extract that was not purchased from a marijuana retailer that holds  
4 a license issued under ORS 475B.105.

5 **SECTION 6.** ORS 475B.254 is amended to read:

6 475B.254. (1) As used in this section:

7 (a) “Consumer” means a person who purchases, acquires, owns, holds or uses marijuana items  
8 other than for the purpose of resale.

9 (b) “Marijuana item” includes [*industrial hemp products and commodities*] **an industrial hemp**  
10 **commodity or product** that [*contain more than 0.3 percent tetrahydrocannabinol.*] **exceeds:**

11 **(A) The concentration of tetrahydrocannabinol established by the Oregon Liquor Control**  
12 **Commission, in consultation with the Oregon Health Authority, by rule; or**

13 **(B) The greater of:**

14 **(i) A concentration of 0.3 percent tetrahydrocannabinol; or**

15 **(ii) The concentration of tetrahydrocannabinol allowed under federal law.**

16 (2) A person other than a marijuana retailer that holds a license issued under ORS 475B.105  
17 may not sell marijuana items to a consumer.

18 **SECTION 7.** ORS 475B.529 is amended to read:

19 475B.529. (1) Notwithstanding the authority granted to the State Department of Agriculture un-  
20 der ORS chapters 571, 618 and 633 and ORS 632.275 to 632.290, 632.450 to 632.490, 632.516 to 632.625,  
21 632.705 to 632.815, 632.835 to 632.850 and 632.900 to 632.985, the department may not exercise au-  
22 thority over marijuana items or a licensee, except that ORS 618.121 to 618.161, 618.991, 618.995,  
23 633.311 to 633.479, 633.992 and 633.994 apply to marijuana items or to a licensee.

24 (2) In exercising its authority under ORS chapter 616, the department may not:

25 (a) Establish standards for marijuana as a food additive, as defined in ORS 616.205;

26 (b) Consider marijuana to be an adulterant, unless the concentration of a cannabinoid in a  
27 cannabinoid product, cannabinoid concentrate or cannabinoid extract exceeds acceptable levels es-  
28 tablished by the Oregon Health Authority by rule; or

29 (c) Apply ORS 616.256, 616.265, 616.270 or 616.275 to cannabinoid edibles or enforce ORS 616.256,  
30 616.265, 616.270 or 616.275 with respect to cannabinoid edibles.

31 **(3) Subsection (2)(b) of this section does not prohibit the department from considering**  
32 **artificially derived cannabinoids to be adulterants.**

33 **SECTION 8.** ORS 475B.550 is amended to read:

34 475B.550. As used in ORS 475B.550 to 475B.590:

35 **(1) “Artificially derived cannabinoid” means a chemical compound that is created by**  
36 **chemical reaction with any chemical compound derived from the plant Cannabis family**  
37 **Cannabaceae.**

38 [(1)] **(2) “Cannabinoid” means any of the chemical compounds that are the active constituents**  
39 **of marijuana.**

40 [(2)] **(3) “Cannabinoid concentrate or extract” means a substance obtained by separating**  
41 **cannabinoids from marijuana by a mechanical, chemical or other process.**

42 [(3)] **(4) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate**  
43 **or extract or the dried leaves or flowers of marijuana have been incorporated.**

44 [(4)(a)] **(5)(a) “Cannabinoid product” means a cannabinoid edible or any other product intended**  
45 **for human consumption or use, including a product intended to be applied to a person’s skin or hair,**

1 that contains cannabinoids or the dried leaves or flowers of marijuana.

2 (b) “Cannabinoid product” does not include:

3 (A) Usable marijuana by itself;

4 (B) A cannabinoid concentrate or extract by itself; or

5 (C) Industrial hemp, as defined in ORS 571.269.

6 [(5)(a)] **(6)(a)** “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant  
7 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

8 (b) “Marijuana” does not include:

9 (A) Industrial hemp, as defined in ORS 571.269; or

10 (B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one  
11 or more cannabinoids, that are approved by the United States Food and Drug Administration and  
12 dispensed by a pharmacy, as defined in ORS 689.005.

13 [(6)] **(7)** “Marijuana item” means marijuana, usable marijuana, a cannabinoid product or a  
14 cannabinoid concentrate or extract.

15 [(7)] **(8)** “Processing” means the compounding or conversion of marijuana into cannabinoid pro-  
16 ducts or cannabinoid concentrates or extracts.

17 [(8)] **(9)** “Producing” means:

18 (a) Planting, cultivating, growing, trimming or harvesting marijuana; or

19 (b) Drying marijuana leaves and flowers.

20 **(10) “Tetrahydrocannabinol” includes all tetrahydrocannabinols that are artificially or**  
21 **naturally derived, including but not limited to Delta-8 tetrahydrocannabinol and Delta-9**  
22 **tetrahydrocannabinol and the optical isomers of Delta-8 or Delta-9 tetrahydrocannabinol, and**  
23 **any artificially derived cannabinoid that is reasonably determined to have an intoxicating**  
24 **effect.**

25 [(9)(a)] **(11)(a)** “Usable marijuana” means the dried leaves and flowers of marijuana.

26 (b) “Usable marijuana” does not include:

27 (A) The seeds, stalks and roots of marijuana; or

28 (B) Waste material that is a by-product of producing or processing marijuana.

29 **SECTION 9.** ORS 475B.600 is amended to read:

30 475B.600. As used in ORS 475B.600 to 475B.655:

31 **(1) “Artificially derived cannabinoid” means a chemical compound that is created by**  
32 **chemical reaction with any chemical compound derived from the plant Cannabis family**  
33 **Cannabaceae.**

34 [(1)] **(2)** “Cannabinoid” means any of the chemical compounds that are the active constituents  
35 of marijuana.

36 [(2)] **(3)** “Cannabinoid concentrate or extract” means a substance obtained by separating  
37 cannabinoids from marijuana by a mechanical, chemical or other process.

38 [(3)] **(4)** “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate  
39 or extract or the dried leaves or flowers of marijuana have been incorporated.

40 [(4)(a)] **(5)(a)** “Cannabinoid product” means a cannabinoid edible or any other product intended  
41 for human consumption or use, including a product intended to be applied to a person’s skin or hair,  
42 that contains cannabinoids or the dried leaves or flowers of marijuana.

43 (b) “Cannabinoid product” does not include:

44 (A) Usable marijuana by itself;

45 (B) A cannabinoid concentrate or extract by itself; or

1 (C) Industrial hemp, as defined in ORS 571.269.

2 [(5)(a)] (6)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant  
3 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

4 (b) “Marijuana” does not include:

5 (A) Industrial hemp, as defined in ORS 571.269; or

6 (B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one  
7 or more cannabinoids, that are approved by the United States Food and Drug Administration and  
8 dispensed by a pharmacy, as defined in ORS 689.005.

9 [(6)] (7) “Marijuana item” means marijuana, usable marijuana, a cannabinoid product or a  
10 cannabinoid concentrate or extract.

11 [(7)] (8) “Processing” means the compounding or conversion of marijuana into cannabinoid pro-  
12 ducts or cannabinoid concentrates or extracts.

13 [(8)] (9) “Producing” means:

14 (a) Planting, cultivating, growing, trimming or harvesting marijuana; or

15 (b) Drying marijuana leaves and flowers.

16 (10) “Tetrahydrocannabinol” includes all tetrahydrocannabinols that are artificially or  
17 naturally derived, including but not limited to Delta-8 tetrahydrocannabinol and Delta-9  
18 tetrahydrocannabinol and the optical isomers of Delta-8 or Delta-9 tetrahydrocannabinol, and  
19 any artificially derived cannabinoid that is reasonably determined to have an intoxicating  
20 effect.

21 [(9)(a)] (11)(a) “Usable marijuana” means the dried leaves and flowers of marijuana.

22 (b) “Usable marijuana” does not include:

23 (A) The seeds, stalks and roots of marijuana; or

24 (B) Waste material that is a by-product of producing or processing marijuana.

25 **SECTION 10.** ORS 475B.625 is amended to read:

26 475B.625. (1) The **Oregon Liquor Control Commission, in consultation with the** Oregon  
27 Health Authority, shall adopt rules establishing:

28 (a) The maximum concentration of tetrahydrocannabinol that is permitted in a single serving  
29 of a cannabinoid product or cannabinoid concentrate or extract;

30 (b) **The maximum concentration of any other cannabinoid or artificially derived**  
31 **cannabinoids that is permitted in a single serving of a cannabinoid product or a cannabinoid**  
32 **concentrate or extract;** and

33 [(b)] (c) The number of servings that are permitted in a **package of** cannabinoid product or  
34 cannabinoid concentrate or extract [*package*].

35 (2)(a) In adopting rules under subsection (1)(a) of this section, the [*authority*] **commission** shall  
36 prescribe the different levels of concentration of tetrahydrocannabinol, **artificially derived**  
37 **cannabinoids or any other cannabinoid** that is permitted in a single serving of a cannabinoid  
38 product or cannabinoid concentrate or extract for:

39 (A) Consumers who hold a valid registry identification card issued under ORS 475B.797; and

40 (B) Consumers who do not hold a valid registry identification card issued under ORS 475B.797.

41 (b) In prescribing the levels of concentration of tetrahydrocannabinol, **artificially derived**  
42 **cannabinoids or any other cannabinoid** that is permitted in a single serving of a cannabinoid  
43 product or cannabinoid concentrate or extract for consumers who hold a valid registry identification  
44 card issued under ORS 475B.797, the [*authority*] **commission** shall consider the appropriate level  
45 of concentration necessary to mitigate the symptoms or effects of a debilitating medical condition,

1 as defined in ORS 475B.791.

2 (3) In adopting rules under ORS 475B.785 to 475B.949, the authority shall require all usable  
3 marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a med-  
4 ical marijuana dispensary registered under ORS 475B.858 to meet the concentration standards and  
5 [packaging] **servings per package** standards adopted by rule pursuant to this section.

6 (4) In adopting rules under ORS 475B.010 to 475B.545, the [*Oregon Liquor Control*] commission  
7 shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts  
8 sold or transferred by a marijuana retailer that holds a license under ORS 475B.105 to meet the  
9 concentration standards and [packaging] **servings per package** standards adopted by rule pursuant  
10 to this section.

11 **SECTION 11.** (1) The amendments to ORS 475B.015, 475B.025, 475B.090, 475B.211, 475B.227,  
12 475B.254, 475B.529, 475B.550, 475B.600 and 475B.625 by sections 1 to 10 of this 2021 Act become  
13 operative on January 1, 2022.

14 (2) The Oregon Health Authority, the Oregon Liquor Control Commission and the State  
15 Department of Agriculture may take any action before the operative date specified in sub-  
16 section (1) of this section that is necessary to enable the authority, the commission and the  
17 department to exercise, on and after the operative date specified in subsection (1) of this  
18 section, all of the duties, functions and powers conferred on the authority, the commission  
19 and the department by the amendments to ORS 475B.015, 475B.025, 475B.090, 475B.211,  
20 475B.227, 475B.254, 475B.529, 475B.550, 475B.600 and 475B.625 by sections 1 to 10 of this 2021  
21 Act.

22  
23 **INDUSTRIAL HEMP**

24  
25 **SECTION 12.** Sections 13 to 17 of this 2021 Act are added to and made a part of ORS  
26 571.260 to 571.348.

27 **SECTION 13.** (1) The State Department of Agriculture shall conduct a criminal records  
28 check under ORS 181A.195 on an individual who submits an application for a grower license  
29 under ORS 571.281.

30 (2) For the purpose of requesting a state or nationwide criminal records check, the de-  
31 partment may require fingerprints of any individual listed on an application submitted under  
32 ORS 571.260 to 571.348, including:

33 (a) If the applicant is a limited partnership, each partner of the limited partnership;

34 (b) If the applicant is a limited liability company, each member of the limited liability  
35 company;

36 (c) If the applicant is a corporation, each director and officer of the corporation;

37 (d) Any individual who is a partner, member, director or officer of an entity with a fi-  
38 nancial interest in the applicant; and

39 (e) Other key participants with the applicant, as identified by the department by rule.

40 (3) ORS 181A.195 (10) does not apply to the department for purposes of conducting a  
41 criminal records check under this section.

42 **SECTION 14.** (1) Except as provided in subsection (2) of this section:

43 (a) If a person has been convicted of a felony related to a controlled substance under  
44 state or federal law, the person is ineligible for a license under ORS 571.281 to grow hemp  
45 issued by the State Department of Agriculture for 10 years following the date of the person's

1 conviction.

2 (b) If a licensee or an applicant, or a person related to the applicant as described in  
3 section 13 (2)(e) of this 2021 Act, is convicted of a felony related to a controlled substance  
4 under state or federal law, the department may deny, revoke or refuse to renew a grower  
5 license under ORS 571.281 during the 10 years following the date of conviction.

6 (2) This section does not apply to a person who was registered to grow hemp with the  
7 department before October 31, 2019.

8 **SECTION 15.** Section 14 of this 2021 Act applies to convictions before, on and after Oc-  
9 tober 31, 2019.

10 **SECTION 16.** The Oregon Liquor Control Commission, in consultation with the State  
11 Department of Agriculture, shall adopt rules to establish:

12 (1) The maximum concentration of tetrahydrocannabinol permitted in a single serving  
13 of an industrial hemp product;

14 (2) The maximum concentration of any other cannabinoid or artificially derived  
15 cannabinoid that is permitted in a single serving of an industrial hemp product; and

16 (3) The number of servings that are permitted in a package of industrial hemp products.

17 **SECTION 17.** (1) Only a person that holds a license issued under ORS 475B.090 may pro-  
18 cess industrial hemp commodities and products that contain cannabinoids and are intended  
19 for human consumption.

20 (2) The Oregon Liquor Control Commission may adopt rules that govern the processing  
21 of industrial hemp.

22 **SECTION 18.** ORS 571.260 is amended to read:

23 571.260. ORS 571.260 to 571.348 shall be known and may be cited as the [*Oregon Industrial Hemp*  
24 *Agricultural Pilot Program and Research Act*] **Oregon Hemp Act.**

25 **SECTION 19.** ORS 571.263 is amended to read:

26 571.263. The State Department of Agriculture shall administer an Oregon [*Industrial Hemp Ag-*  
27 *ricultural Pilot Program for the purpose of studying the growth, cultivation and marketing of industrial*  
28 *hemp in this state. In carrying out the program, the department:*] **Hemp State Program for the**  
29 **production, processing and sale of hemp in this state. In carrying out the program, the de-**  
30 **partment:**

31 (1) Shall administer ORS 571.260 to 571.348[;].

32 (2)(a) Shall adopt rules to implement a state plan for the production of hemp in accord-  
33 ance with the Agriculture Improvement Act of 2018 (P.L. 115-334) and subsequent federal law.  
34 The rules adopted under this subsection must conform to, and not be more restrictive than,  
35 the rules related to hemp promulgated by the United States Department of Agriculture.

36 (b) In adopting rules under this subsection, the State Department of Agriculture shall  
37 include public input.

38 (c) The rules adopted under this subsection may include the adoption by reference of any  
39 federal laws, rules, regulations or guidelines, or standards, practices or requirements related  
40 to the production of hemp.

41 [(2)] (3) Shall adopt by rule any record keeping and reporting requirements necessary to ad-  
42 minister the program[;].

43 [(3)] (4) May purchase, possess, seize or dispose of [*industrial*] hemp products or commodities  
44 as the department deems necessary to enforce and ensure compliance with ORS 571.260 to 571.348  
45 or department rules relating to ORS 571.260 to 571.348[; and].

1        [(4)] (5) May exercise any other power or perform any other function necessary to administer  
2 the program.

3        **SECTION 20.** ORS 571.269 is amended to read:

4        571.269. As used in ORS 571.260 to 571.348:

5        (1) “Agricultural hemp seed” means Cannabis seed:

6        (a) That is sold to or intended to be sold to [*registered*] **licensed** growers for planting; or

7        (b) That remains in an unprocessed or partially processed condition that is capable of  
8 germination.

9        (2) **“Adult use cannabis item” has the meaning given that term in ORS 475B.015.**

10       (3) **“Artificially derived cannabinoid” has the meaning given that term in ORS 475B.015.**

11       (4) **“Consumption” means to ingest, inhale or topically apply to the skin or hair.**

12       [(2)] (5) “Crop” means industrial hemp grown under a single [*registration*] **license**.

13       [(3)] (6) “Grower” means a person, joint venture or cooperative that produces industrial hemp.

14       [(4)] (7) “Handler” means a person, joint venture or cooperative that receives industrial hemp  
15 for processing into commodities, products or agricultural hemp seed.

16       [(5)] (8) “Industrial hemp”:

17       (a) Except as provided in this paragraph, means all nonseed parts and varieties of the Cannabis  
18 plant, whether growing or not, that contain an average **post-decarboxylation concentration of**  
19 **Delta-9** tetrahydrocannabinol [*concentration*], **as defined by the State Department of Agriculture**  
20 **by rule**, that does not exceed **the greater of 0.3 percent** on a dry weight basis[. *The State depart-*  
21 *ment of Agriculture, by rule, may adopt any higher average tetrahydrocannabinol concentration limit*  
22 *established in federal law.*] **or the concentration of tetrahydrocannabinol allowed under federal**  
23 **law.**

24       (b) Means any Cannabis seed:

25       (A) That is part of a crop;

26       (B) That is retained by a grower for future planting;

27       (C) That is agricultural hemp seed;

28       (D) That is for processing into or for use as agricultural hemp seed; or

29       (E) That has been processed in a manner or to an extent that the Cannabis seed is incapable  
30 of germination.

31       (c) Does not mean industrial hemp commodities or products.

32       [(6)] (9) “Industrial hemp concentrate” means an industrial hemp product obtained by separating  
33 cannabinoids from industrial hemp by:

34       (a) A mechanical process;

35       (b) A chemical extraction process using a nonhydrocarbon-based solvent, such as water, vege-  
36 table glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;

37       (c) A chemical extraction process using carbon dioxide, provided that the process does not in-  
38 involve the use of high heat or pressure; or

39       (d) Any other process identified by the department by rule.

40       [(7)] (10) “Industrial hemp extract” means an industrial hemp product obtained by separating  
41 cannabinoids from industrial hemp by:

42       (a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane  
43 or propane;

44       (b) A chemical extraction process using carbon dioxide, if the process uses high heat or pres-  
45 sure; or

1 (c) Any other process identified by the department by rule.

2 (11) **“Licensee” means a grower, handler or agricultural hemp seed producer licensed**  
3 **under ORS 571.281.**

4 (12) **“Tetrahydrocannabinol” has the meaning given that term in ORS 475B.015.**

5 **SECTION 21.** ORS 571.272 is amended to read:

6 571.272. (1) Industrial hemp is an agricultural product that is subject to regulation by the State  
7 Department of Agriculture.

8 (2)(a) For purposes of ORS chapter 616, the department may not consider industrial hemp or  
9 industrial hemp commodities or products to be an adulterant.

10 **(b) Paragraph (a) of this subsection does not prohibit the department from considering**  
11 **artificially derived cannabinoids to be adulterants.**

12 **SECTION 22.** ORS 571.281 is amended to read:

13 571.281. (1) To grow or handle industrial hemp, a person must be [*registered with*] **licensed by**  
14 the State Department of Agriculture as a grower or handler.

15 (2)(a) Only a grower or handler [*registered*] **licensed** under this section may produce agricultural  
16 hemp seed. For a grower or handler to produce agricultural hemp seed, the grower or handler must  
17 be [*registered with*] **licensed by** the department as an agricultural hemp seed producer.

18 (b) Notwithstanding paragraph (a) of this subsection:

19 (A) A grower [*registered*] **licensed** under this section that retains agricultural hemp seed for the  
20 purpose of personally propagating industrial hemp in a subsequent year is not required to [*register*  
21 *with*] **be licensed by** the department as an agricultural hemp seed producer; and

22 (B) A grower or handler [*registered*] **licensed** under this section that produces Cannabis seeds  
23 that are incapable of germination, or a handler [*registered*] **licensed** under this section that pro-  
24 cesses Cannabis seeds that are incapable of germination into commodities or products, is not re-  
25 quired to [*register with*] **be licensed by** the department as an agricultural hemp seed producer.

26 (3) An applicant for [*registration*] **a license** under this section must submit to the department,  
27 in a form and manner prescribed by the department, the following information:

28 (a) The name and address of the applicant;

29 (b) The name and address of the industrial hemp operation of the applicant; and

30 (c) Any other information required by the department by rule.

31 (4) [*Registration under this section is valid for a one-year term, beginning on January 1.*] **The**  
32 **department shall adopt rules specifying the period of time for which a license issued under**  
33 **this section is valid.** A [*grower, handler or agricultural hemp seed producer may renew a*  
34 *registration*] **licensee may renew a license** under this section in a form and manner prescribed by  
35 the department.

36 (5) A [*registration*] **license** under this section is a personal privilege and is not transferable.

37 (6) A grower or handler [*registered*] **licensed** under this section must keep records as required  
38 by the department by rule. Upon not less than three days’ notice, the department may subject the  
39 records to inspection or audit during normal business hours. The department may make an in-  
40 spection or audit for the purpose of ensuring compliance with:

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

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

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

45 (7) In addition to any inspection conducted pursuant to ORS 561.275, the department may inspect

1 any crop during the crop's growth phase and take a representative composite sample for field anal-  
2 ysis. If a crop contains an average **post-decarboxylation concentration of Delta-9**  
3 tetrahydrocannabinol [*concentration*] exceeding 0.3 percent on a dry weight basis or a **post-**  
4 **decarboxylation concentration of Delta-9** tetrahydrocannabinol [*concentration*] exceeding the  
5 concentration allowed under federal law, whichever is greater, the department may detain, seize or  
6 embargo the crop as provided under ORS 561.605 to 561.620, subject to any process established un-  
7 der ORS 571.345.

8 (8)(a) The department may charge [*growers, handlers and agricultural hemp seed producers ap-*  
9 *plication fees, registration and renewal of registration fees, administrative change fees and fees for*  
10 *other services*] **licensees the following fees** in amounts reasonably calculated by the department to  
11 pay the cost of administering ORS 571.260 to 571.348[.]:

12 **(A) Application fees;**

13 **(B) License and license renewal fees;**

14 **(C) Administrative change fees; and**

15 **(D) Fees for other services.**

16 **(b)** Moneys from fees charged under this subsection shall be deposited in the Industrial Hemp  
17 Fund established under ORS 571.278.

18 (9) The department may adopt rules establishing public health and safety standards and industry  
19 best practices for growers and handlers [*registered*] **licensed** under this section.

20 **SECTION 23.** ORS 571.285 is amended to read:

21 571.285. (1) Subject to the provisions of ORS chapter 183, the State Department of Agriculture  
22 may revoke [*the registration of a grower, handler or agricultural hemp seed producer*] **a licensee's**  
23 **license** or refuse to [*register*] **license** or renew the [*registration*] **license** if a [*grower, handler or*  
24 *agricultural hemp seed producer*] **licensee** violates:

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

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

27 (c) An order issued by the department pursuant to a provision of ORS 571.260 to 571.348 or a  
28 rule adopted under a provision of ORS 571.260 to 571.348; or

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

31 [(2) *The department may not discipline a grower, handler or agricultural hemp seed producer un-*  
32 *der this section on the basis that possessing, delivering and manufacturing industrial hemp are pro-*  
33 *hibited by federal law.*]

34 **(2) The department may adopt rules to prohibit a licensee from reapplying for a license**  
35 **under ORS 571.281 for a period of time specified by rule by the department if the licensee**  
36 **violates:**

37 **(a) A provision of ORS 571.260 to 571.348;**

38 **(b) A rule adopted pursuant to ORS 571.260 to 571.348; or**

39 **(c) An order issued by the department pursuant to ORS 571.260 to 571.348 or a rule**  
40 **adopted pursuant to ORS 571.260 to 571.348.**

41 **SECTION 24.** ORS 571.288 is amended to read:

42 571.288. A grower [*registered*] **licensed** under ORS 571.281 may use any propagation method,  
43 including planting seeds or starts or the use of clones or cuttings, to produce industrial hemp.

44 **SECTION 25.** ORS 571.294 is amended to read:

45 571.294. The State Department of Agriculture may charge growers and handlers [*registered*] li-

1 **censed** under ORS 571.281 fees reasonably calculated by the department to pay the cost of sampling  
2 or testing industrial hemp or industrial hemp commodities or products under ORS 571.330 and  
3 571.333. Moneys from fees charged under this section shall be deposited in the Industrial Hemp Fund  
4 established under ORS 571.278.

5 **SECTION 26.** ORS 571.302 is amended to read:

6 571.302. (1) For purposes of ORS 633.511 to 633.750, agricultural hemp seed is an agricultural  
7 seed or a flower seed, as those terms are defined in ORS 633.511.

8 (2) The Director of Agriculture, or the director's agent, and the Dean of the College of Agri-  
9 cultural Sciences of Oregon State University, or the dean's agent, shall establish a program for the  
10 labeling and certification of agricultural hemp seed. For purposes of the program:

11 (a) The director and the dean shall perform their respective duties under ORS 633.511 to 633.750  
12 with respect to agricultural hemp seed in the same manner that the director and dean perform their  
13 respective duties under ORS 633.511 to 633.750 with respect to other agricultural seed or flower  
14 seed, including but not limited to those duties related to labeling, testing and certifying seeds; and

15 (b) The director and the dean shall exercise their respective functions and powers under ORS  
16 633.511 to 633.750 with respect to agricultural hemp seed in the same manner that the director and  
17 dean exercise their respective functions and powers under ORS 633.511 to 633.750 with respect to  
18 other agricultural seed or flower seed, including but not limited to inspecting and sampling seeds  
19 and making rules and regulations under ORS 633.680.

20 (3) Notwithstanding subsections (1) and (2) of this section, if the director in consultation with  
21 the dean determines that a specific provision of ORS 633.511 to 633.750, or a specific rule or regu-  
22 lation made under ORS 633.511 to 633.750, that applies to other agricultural seed or flower seed is  
23 inadequate or not suitable for the regulation of agricultural hemp seed, the director may by rule  
24 exempt agricultural hemp seed from the provision, rule or regulation and make rules providing more  
25 adequate or suitable regulation of agricultural hemp seed.

26 (4)(a) The director and the dean shall collaborate with growers [*registered*] **licensed** under ORS  
27 571.281 in performing their respective duties and exercising their respective functions and powers  
28 under ORS 633.511 to 633.750 with respect to agricultural hemp seed.

29 (b) The director and the dean may collaborate with growers [*registered*] **licensed** under ORS  
30 571.281 and other stakeholders to develop a heritage agricultural hemp seed for this state.

31 (5) The director and the dean may collaborate with entities authorized to certify seeds under the  
32 laws of other states in performing their respective duties and exercising their respective functions  
33 and powers under ORS 633.511 to 633.750 with respect to agricultural hemp seed.

34 (6) A grower [*registered*] **licensed** under ORS 571.281 is not required, for purposes related to  
35 growing industrial hemp, to use an agricultural hemp seed variety certified under the program de-  
36 scribed in this section.

37 (7) The State Department of Agriculture may establish by rule waivers to, or exemptions from,  
38 tests that would otherwise be conducted to determine a crop's average tetrahydrocannabinol con-  
39 centration for crops planted with agricultural hemp seed varieties certified pursuant to the program  
40 described in this section.

41 **SECTION 27.** ORS 571.327 is amended to read:

42 571.327. (1) An agricultural hemp seed producer [*registered*] **licensed** under ORS 571.281:

43 (a) Must sell agricultural hemp seed in a manner that complies with any standard established  
44 by the Director of Agriculture under ORS 633.511 to 633.750; and

45 (b) May sell agricultural hemp seed only if the agricultural hemp seed meets any packaging or

1 labeling requirement, or any quality standard, adopted by the director under subsection (2) of this  
2 section.

3 (2) The director may adopt rules establishing packaging requirements, labeling requirements and  
4 quality standards for agricultural hemp seed.

5 (3) The State Department of Agriculture shall make available to growers [*registered*] **licensed**  
6 under ORS 571.281 information that identifies agricultural hemp seed producers [*registered*] **licensed**  
7 under ORS 571.281 from whom the growers may purchase agricultural hemp seed.

8 **SECTION 28.** ORS 571.330 is amended to read:

9 571.330. [(1) For purposes of this section, “consumption” means to ingest, inhale or topically apply  
10 to the skin or hair.]

11 [(2)(a)] (1)(a) A laboratory licensed by the Oregon Liquor Control Commission under ORS  
12 475B.560 and accredited by the Oregon Health Authority pursuant to ORS 475B.565 may test in-  
13 dustrial hemp and industrial hemp commodities and products **whether or not the industrial hemp**  
14 **or industrial hemp commodities or products were** produced or processed by a [*grower, handler*  
15 *or agricultural hemp seed producer registered under ORS 571.281*] **licensee**.

16 (b) An accredited independent testing laboratory that has been approved by the authority or the  
17 State Department of Agriculture may test industrial hemp and industrial hemp commodities and  
18 products **whether or not the industrial hemp or industrial hemp commodities or products**  
19 **were** produced or processed by a [*grower, handler or agricultural hemp seed producer registered un-*  
20 *der ORS 571.281*] **licensee**.

21 [(3)] (2) A grower or handler may not sell or transfer an industrial hemp commodity or product  
22 that is intended for human consumption unless the commodity or product is tested by a laboratory  
23 described in subsection (2) of this section to ensure that the commodity or product meets the re-  
24 quirements adopted by the Oregon Health Authority under ORS 475B.555 (1)(a) and (b) and (2) for  
25 testing marijuana items.

26 [(4)] (3) For purposes of this section, the department shall adopt rules:

27 (a) Establishing protocols for the testing of industrial hemp commodities and products; and

28 (b) Establishing procedures for determining batch sizes and for sampling industrial hemp com-  
29 modities and products.

30 [(5)] (4) This section does not apply to:

31 (a) Agricultural hemp seed;

32 (b) Seeds of the plant genus *Cannabis* within the plant family *Cannabaceae* that are incapable  
33 of germination;

34 (c) Products derived from seeds described in paragraph (b) of this subsection; or

35 (d) Other parts of industrial hemp that the department identifies by rule as exempt.

36 **SECTION 29.** ORS 571.336 is amended to read:

37 571.336. (1) As used in this section, “licensee,” “marijuana,” “marijuana item” and “marijuana  
38 processor” have the meanings given those terms in ORS 475B.015.

39 (2) A grower [*registered*] **licensed** under ORS 571.281 may deliver industrial hemp, and a handler  
40 [*registered*] **licensed** under ORS 571.281 may deliver industrial hemp concentrates and industrial  
41 hemp extracts, to a marijuana processor that holds a license issued under ORS 475B.090, if:

42 (a) The grower or handler and the marijuana processor are registered with the Oregon Liquor  
43 Control Commission, in a form and manner prescribed by the commission, for the purpose of pro-  
44 cessing industrial hemp, industrial hemp concentrates and industrial hemp extracts;

45 (b) The marijuana processor is provided with the results of any test conducted on the industrial

1 hemp, industrial hemp concentrate or industrial hemp extract pursuant to ORS 571.260 to 571.348  
2 as a condition of the marijuana processor's receiving the industrial hemp, industrial hemp concen-  
3 trate or industrial hemp extract;

4 (c) The marijuana processor keeps the results of any test that the marijuana processor receives  
5 pursuant to paragraph (b) of this subsection in a form and manner prescribed by the commission;

6 (d) The industrial hemp, industrial hemp concentrate or industrial hemp extract is tracked using  
7 the system developed and maintained under ORS 475B.177 when the industrial hemp, industrial hemp  
8 concentrate or industrial hemp extract is delivered to the premises of the marijuana processor; and

9 (e) The grower or handler and the marijuana processor meet any other requirement established  
10 by the commission by rule.

11 (3) Industrial hemp, industrial hemp concentrates and industrial hemp extracts may be processed  
12 by a marijuana processor registered under this section into any industrial hemp commodity or  
13 product or used by a marijuana processor registered under this section to supplement the processing  
14 of any marijuana item.

15 (4) An industrial hemp concentrate, industrial hemp extract, industrial hemp commodity or  
16 product or marijuana item processed pursuant to this section may be delivered by a marijuana  
17 processor registered under this section to a licensee as described in ORS 475B.206, provided that the  
18 industrial hemp concentrate, industrial hemp extract, industrial hemp commodity or product or  
19 marijuana item meets any applicable requirement for marijuana items set forth in ORS 475B.010 to  
20 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted under ORS 475B.010 to  
21 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655.

22 (5) The commission may impose an annual fee reasonably calculated to not exceed the cost of  
23 administering this section on growers registered under this section, handlers registered under this  
24 section and marijuana processors registered under this section. Fees collected under this section  
25 shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.296.  
26 Moneys deposited in the fund pursuant to this subsection are continuously appropriated to the  
27 commission for the purpose of administering this section.

28 **SECTION 30.** ORS 571.337 is amended to read:

29 571.337. (1) As used in this section:

30 [(a) "Consumption" has the meaning given that term in ORS 571.330.]

31 [(b)] (a) "Processor" means a person licensed under ORS 475B.090.

32 [(c)] (b) "Retailer" means a person licensed under ORS 475B.105.

33 [(d)] (c) "Wholesaler" means a person licensed under ORS 475B.100.

34 (2) Except as provided in ORS 571.341, a processor, retailer or wholesaler may purchase, receive,  
35 transfer, sell or transport industrial hemp, or an industrial hemp commodity or product that contains  
36 cannabinoids and is intended for human consumption, only if:

37 (a) The processor, retailer or wholesaler received the hemp, commodity or product from a  
38 grower or handler [*registered*] **licensed** under ORS 571.281 or a processor;

39 (b) The grower, handler or processor under paragraph (a) of this subsection is registered [*by*]  
40 **with** the Oregon Liquor Control Commission as provided under ORS 571.336; and

41 (c) The hemp, commodity or product meets the requirements for marijuana items under ORS  
42 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted by the  
43 commission.

44 (3) A grower, handler or processor registered as described under ORS 571.336 (2)(a) shall enter  
45 hemp, commodity or product that contains cannabinoids, is intended for human consumption and is

1 intended for transfer, sale or transport to a processor, retailer or wholesaler licensed under ORS  
2 475B.010 to 475B.545 into the tracking system described in ORS 475B.177 before the hemp, com-  
3 modity or product is transferred to a laboratory described in ORS 571.330 [(2)] (1) for testing of a  
4 type described under ORS 475B.555. The commission shall continue to track the hemp, commodity  
5 or product entered into the system under this subsection when the hemp, commodity or product is  
6 transferred, sold or transported to a premises licensed under ORS 475B.010 to 475B.545, or to other  
7 areas under the control of the premises licensee.

8 **(4) A processor may transfer, sell or transport an industrial hemp commodity or product**  
9 **to a person that is not a processor, retailer or wholesaler if the industrial hemp commodity**  
10 **or product:**

11 **(a) Is tested as described in ORS 475B.555 and otherwise meets the requirements for**  
12 **marijuana items under ORS 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to**  
13 **475B.655 and rules adopted by the commission;**

14 **(b) Is entered into the tracking system described in ORS 475B.177;**

15 **(c) Prior to the transfer, sale or transport, is held by the processor for the duration and**  
16 **in the manner required by the commission by rule; and**

17 **(d) Meets any other requirements established by the commission by rule.**

18 [(4)] (5) The State Department of Agriculture shall adopt rules regarding the activities of  
19 growers and handlers under this section.

20 [(5)] (6) The commission shall adopt rules regarding the activities of processors, retailers,  
21 wholesalers and laboratories under this section.

22 **SECTION 31.** ORS 571.339 is amended to read:

23 571.339. [A person may not make a retail sale of industrial hemp commodities or products in this  
24 state unless the industrial hemp commodities or products and the industrial hemp used to process the  
25 industrial hemp commodities or products meet the requirements for processing industrial hemp com-  
26 modities or products or growing industrial hemp set forth in ORS 571.260 to 571.348 and rules adopted  
27 under ORS 571.260 to 571.348.]

28 **(1) For purposes of this section, “consumer” means a person that purchases, acquires,**  
29 **owns, holds or uses an industrial hemp commodity or product other than for the purpose of**  
30 **resale.**

31 **(2) A person may not sell or deliver to a consumer an industrial hemp commodity or**  
32 **product that contains cannabinoids and is intended for human consumption unless:**

33 **(a) The industrial hemp commodity or product has been tested in accordance with ORS**  
34 **571.330 and any rules adopted pursuant to ORS 571.330;**

35 **(b) The person obtains and maintains documentation of the results of the testing;**

36 **(c) The results of the testing required under this subsection demonstrate the concen-**  
37 **tration of Delta-8 tetrahydrocannabinol if:**

38 **(A) The industrial hemp commodity or product is sold to a person under 21 years of age;**  
39 **or**

40 **(B) Any representations are made to the consumer about the concentration of Delta-8**  
41 **tetrahydrocannabinol;**

42 **(d) The industrial hemp commodity or product does not contain more than 0.3 percent**  
43 **tetrahydrocannabinol or the concentration of tetrahydrocannabinol allowed under federal**  
44 **law, whichever is greater; and**

45 **(e) The industrial hemp commodity or product does not exceed the concentration of**

1 tetrahydrocannabinol established by the Oregon Liquor Control Commission, in conjunction  
2 with the Oregon Health Authority, by rule.

3 (3) The testing required under subsection (2) of this section may be conducted only by:

4 (a) A laboratory licensed by the commission under ORS 475B.560 and accredited by the  
5 authority under ORS 475B.565; or

6 (b) If the industrial hemp commodity or product was processed outside of this state, a  
7 laboratory accredited to the same or more stringent standards as a laboratory described in  
8 paragraph (a) of this subsection.

9 (4) A person may not sell or deliver an adult use cannabis item to a person under 21  
10 years of age.

11 (5) This section does not apply to the retail sale of industrial hemp commodities or products by  
12 a marijuana retailer, as defined in ORS 475B.015, that holds a license issued under ORS 475B.105.

13 **SECTION 32.** ORS 571.341 is amended to read:

14 571.341. (1) As used in this section[.]

15 [(a) “Consumer” has the meaning given that term in ORS 475B.015.]

16 [(b)], “retailer” means a person licensed under ORS 475B.105.

17 (2) [*Industrial hemp products that contain more than 0.3 percent tetrahydrocannabinol may not be*  
18 *sold to a consumer by a person other than a retailer.*] **An industrial hemp product may not be sold**  
19 **to a consumer by a person other than a retailer if the industrial hemp product contains more**  
20 **than:**

21 (a) **The concentration of tetrahydrocannabinol established by the Oregon Liquor Control**  
22 **Commission, in consultation with the State Department of Agriculture, by rule; or**

23 (b) **The greater of:**

24 (A) **A concentration of 0.3 percent tetrahydrocannabinol; or**

25 (B) **The concentration of tetrahydrocannabinol allowed under federal law.**

26 (3) The [*Oregon Liquor Control*] commission shall adopt rules establishing measures the com-  
27 mission deems necessary for ensuring compliance with this section.

28 **SECTION 33.** ORS 571.345 is amended to read:

29 571.345. The State Department of Agriculture may by rule or order establish a process providing  
30 for the remediation of a violation of ORS 571.330 or 571.333 that is committed by a grower or han-  
31 dler [*registered*] **licensed** under ORS 571.281 and is not committed intentionally.

32 **SECTION 34.** **The State Department of Agriculture shall issue a license to grow or handle**  
33 **hemp under ORS 571.281 on the date the previous registration is due for renewal to a grower**  
34 **or handler who:**

35 (1) **Registered under ORS 571.281 on or before the operative date specified in section 35**  
36 **of this 2021 Act; and**

37 (2) **Meets the requirements for registration renewal.**

38 **SECTION 35.** (1) **Sections 13 to 15 and 17 of this 2021 Act and the of amendments to ORS**  
39 **571.260, 571.263, 571.269, 571.272, 571.281, 571.285, 571.288, 571.294, 571.302, 571.327, 571.330,**  
40 **571.336, 571.337, 571.339, 571.341 and 571.345 by sections 18 to 33 of this 2021 Act become op-**  
41 **erative on January 1, 2022.**

42 (2) **Section 16 of this 2021 Act becomes operative on July 1, 2023.**

43 (3) **The Oregon Health Authority, the Oregon Liquor Control Commission and the State**  
44 **Department of Agriculture may take any action before the operative date specified in sub-**  
45 **sections (1) and (2) of this section that is necessary to enable the authority, the commission**

1 and the department to exercise, on and after the operative date specified in subsection (1)  
2 of this section, all of the duties, functions and powers conferred on the authority, the com-  
3 mission and the department by sections 13 to 15 and 17 of this 2021 Act and the amendments  
4 to ORS 571.260, 571.263, 571.269, 571.272, 571.281, 571.285, 571.288, 571.294, 571.302, 571.327,  
5 571.330, 571.336, 571.337, 571.339, 571.341 and 571.345 by sections 18 to 33 of this 2021 Act.

6  
7 **TASK FORCE ON CANNABIS-DERIVED INTOXICANTS**

8  
9 **SECTION 36.** (1) The Task Force on Cannabis-Derived Intoxicants is established.

10 (2) The task force consists of nine members appointed as follows:

11 (a) The President of the Senate shall appoint one member from among the members of  
12 the Senate;

13 (b) The Senate Minority Leader shall appoint one member from among the members of  
14 the Senate;

15 (c) The Speaker of the House of Representatives shall appoint one member from among  
16 the members of the House of Representatives;

17 (d) The House Minority Leader shall appoint one member from among the members of  
18 the House of Representatives; and

19 (e) The Governor shall appoint five members as follows:

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

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

22 (C) One member who represents law enforcement agencies;

23 (D) The Director of Agriculture, or a designee of the director; and

24 (E) The administrator of the Oregon Liquor Control Commission, or a designee of the  
25 administrator.

26 (3) The task force shall consider:

27 (a) Changes to state law to support the regulation of intoxicating cannabis-derived pro-  
28 ducts and artificially derived cannabinoids;

29 (b) The consolidation of administrative functions related to the regulation of cannabis;

30 (c) Methods to prevent sales to minors of industrial hemp commodities or products that  
31 contain intoxicating cannabinoids;

32 (d) Regulation to address genetic engineering of cannabis;

33 (e) Testing requirements and methods of enforcement of testing requirements for  
34 cannabinoids, including artificially derived cannabinoids, to protect the public health and  
35 safety;

36 (f) Policy changes related to interstate commerce and transportation of cannabis;

37 (g) Changes to state regulation of cannabis as a result of federal laws; and

38 (h) Input from marijuana and industrial hemp industry members.

39 (4) A majority of the voting members of the task force constitutes a quorum for the  
40 transaction of business.

41 (5) Official action by the task force requires the approval of a majority of the voting  
42 members of the task force.

43 (6) The task force shall elect one of its members to serve as chairperson.

44 (7) If there is a vacancy for any cause, the appointing authority shall make an appoint-  
45 ment to become immediately effective.

1 (8) The task force shall meet at times and places specified by the call of the chairperson  
2 or of a majority of the voting members of the task force.

3 (9) The task force may adopt rules necessary for the operation of the task force.

4 (10)(a) The task force shall submit a report in the manner provided by ORS 192.245, and  
5 shall include initial findings and recommendations for legislation, to the interim committee  
6 of the Legislative Assembly related to economic development no later than December 31,  
7 2021.

8 (b) The task force shall submit a report in the manner provided by ORS 192.245, and shall  
9 include final findings and recommendations for legislation, to the interim committee of the  
10 Legislative Assembly related to economic development no later than December 31, 2022.

11 (11) The Oregon Liquor Control Commission and the State Department of Agriculture,  
12 in consultation with the Oregon Health Authority and the Department of Revenue, shall  
13 provide staff support to the task force.

14 (12) Members of the Legislative Assembly appointed to the task force are nonvoting  
15 members of the task force and may act in an advisory capacity only.

16 (13) Members of the task force who are not members of the Legislative Assembly are not  
17 entitled to compensation or reimbursement for expenses and serve as volunteers on the task  
18 force.

19 (14) All agencies of state government, as defined in ORS 174.111, are directed to assist  
20 the task force in the performance of the duties of the task force and, to the extent permitted  
21 by laws relating to confidentiality, to furnish information and advice the members of the task  
22 force consider necessary to perform their duties.

23 SECTION 37. Section 36 of this 2021 Act is repealed on January 2, 2023.

24  
25 **CAPTIONS**

26  
27 SECTION 38. The unit captions used in this 2021 Act are provided only for the conven-  
28 ience of the reader and do not become part of the statutory law of this state or express any  
29 legislative intent in the enactment of this 2021 Act.

30  
31 **EFFECTIVE DATE**

32  
33 SECTION 39. This 2021 Act being necessary for the immediate preservation of the public  
34 peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect  
35 on its passage.

36 \_\_\_\_\_