

## SB 1564 -1, -2 STAFF MEASURE SUMMARY

### Senate Committee On Natural Resources and Wildfire Recovery

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

**Meeting Dates:** 2/8, 2/10

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#### WHAT THE MEASURE DOES:

Authorizes the Department of Agriculture (ODA), based on supply of and demand for industrial hemp, to refuse to issue grower licenses for an amount of time ODA determines necessary. Requires ODA to process an application for a grower license received before June 15, 2021; prohibits applicant from changing address of operation. Requires ODA to adopt rules to establish timelines for the completion of applications for grower licenses. Directs ODA to study the effects of not issuing growers licenses on the industrial hemp industry. Requires ODA to submit a report on the findings of the study to a legislative committee not later than March 30, 2024. Renames Task Force on Cannabis-Derived Intoxicants as Task Force on Cannabis-Derived Intoxicants and Illegal Cannabis Production. Increases membership of task force, and expands task force scope of work. Declares emergency, effective upon passage.

#### ISSUES DISCUSSED:

##### EFFECT OF AMENDMENT:

-1 Adds representative of the Department of Environmental Quality to the task force.

-2 Deletes Sections 1 and 2 of introduced measure. Prohibits the Department of Agriculture (ODA) from issuing grower licenses, including to applicants who submitted applications on or after January 1, 2022, and prior to the effective date of the Act. Authorizes ODA to renew a grower license if a licensee held a valid grower license during the 2021 calendar year. Restricts such renewals to not more than two grow sites, as defined by ODA by rule. Exempts research grower license from provisions prohibiting issuance of grower license. Repeals provision on June 30, 2023.

#### BACKGROUND:

Industrial hemp is an agricultural crop 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 has been enacted in Oregon since 2009. 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 on the quality, packaging, and labeling of industrial hemp seed. Senate Bill 1015 (2017) provided for the processing and sale of industrial hemp concentrates and extracts. House Bill 4089 (2018) established the Oregon Industrial Hemp Agricultural Pilot Program and an agricultural hemp seed certificate program, and further refined laws governing testing, regulation, personal possession, and THC concentration. In 2021, House Bill 3000 directed the Oregon Liquor Control Commission (OLCC) - renamed the Oregon Liquor Control and Cannabis Commission in 2021 - to consult with the Oregon Health Authority and ODA to adopt rules establishing a maximum THC concentration for artificially derived cannabinoids allowed in a cannabinoid product and the maximum concentration of THC or artificially derived cannabinoid permitted in an industrial hemp product. To further consider state policies and regulation, testing and enforcement, and other administrative functions associated with these products, the measure also established a 15 member Task Force on Cannabis-Derived Intoxicants. The Task Force was directed to report to the Legislative Assembly on their initial findings no later than December 31, 2021, and a report on

their final findings by December 31, 2022.

PRELIMINARY