

**B-Engrossed**  
**House Bill 2668**

Ordered by the House June 23  
Including House Amendments dated April 17 and June 23

Sponsored by Representative BUCKLEY; Representative LININGER (Presession 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.

*[Requires minimum buffer zone between areas zoned for cultivation of industrial hemp and marijuana grow sites.]*

*[Requires governing bodies of cities and counties to designate areas zoned for cultivation and growing of industrial hemp and submit designations to Oregon Liquor Control Commission, Oregon Health Authority and State Department of Agriculture.]*

*[Prohibits governing bodies of Douglas, Josephine and Jackson Counties from designating areas zoned for cultivation and growing of industrial hemp until January 1, 2021.]*

**Changes criteria for acquiring industrial hemp license or agricultural hemp seed production permit.**

**Specifies that State Department of Agriculture shall rescind industrial hemp licenses if licenses were issued in manner that did not comply with enabling statute. Directs department to issue anew license to any person who previously held license if person meets criteria, as amended by Act, of enabling statute. Directs department to provide just compensation to any person who previously held license and who does not meet criteria, provided that person met criteria as set forth in enabling statute before effective date of Act.**

**Suspends licensing of new growers of industrial hemp until March 1, 2017.**

**Provides for research related to industrial hemp.**

**Directs department to form rules advisory committee to adopt and amend rules related to industrial hemp.**

**Declares emergency, effective on passage.**

**A BILL FOR AN ACT**

1  
2 Relating to industrial hemp; creating new provisions; amending ORS 571.305; and declaring an  
3 emergency.

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

5 **SECTION 1.** ORS 571.305 is amended to read:

6 571.305. (1) Industrial hemp production and possession, and commerce in industrial hemp com-  
7 modities and products, are authorized in this state. Industrial hemp is an agricultural product that  
8 is subject to regulation by the State Department of Agriculture.

9 (2) All growers and handlers must have an industrial hemp license issued by the department.  
10 Growers and handlers engaged in the production of agricultural hemp seed must also have an agri-  
11 cultural hemp seed production permit.

12 (3) An application for an industrial hemp license or agricultural hemp seed production permit  
13 must include:

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

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

16 (c) The global positioning system coordinates and legal description for the property used for the  
17 industrial hemp;

**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 (d) If the industrial hemp license or agricultural hemp seed production permit application is by  
2 a grower, information sufficient to establish that the industrial hemp crop of the applicant will be  
3 at least 2.5 acres in size; and

4 (e) Any other information required by the department by rule.

5 **(4) The department may not issue an industrial hemp license or agricultural hemp seed**  
6 **production permit under this section to an applicant that has an industrial hemp operation**  
7 **of which any part of the premises is located within 1,000 feet of any part of the premises of**  
8 **a public elementary or secondary school for which attendance is compulsory under ORS**  
9 **339.020 or of a private or parochial elementary or secondary school that teaches children as**  
10 **described in ORS 339.030 (1)(a).**

11 [(4)] (5) An industrial hemp license or agricultural hemp seed production permit is valid for a  
12 three-year term unless revoked and may be renewed as provided by department rule. An industrial  
13 hemp license or agricultural hemp seed production permit is a personal privilege that is  
14 nontransferable.

15 [(5)] (6) An agricultural hemp seed production permit authorizes a grower or handler to produce  
16 and handle agricultural hemp seed for sale to licensed industrial hemp growers and handlers. A  
17 seller of agricultural hemp seed shall ensure that the seed complies with any standards set by the  
18 Director of Agriculture under ORS 633.511 to 633.750. The department shall make available to  
19 growers information that identifies sellers of agricultural hemp seed.

20 [(6)] (7) Subject to department guidelines, a grower may retain seed from each industrial hemp  
21 crop to ensure a sufficient supply of seed for that grower for the following year. A grower does not  
22 need an agricultural hemp seed production permit in order to retain seed for future planting. Seed  
23 retained by a grower may not be sold or transferred and does not need to meet the department's  
24 agricultural hemp seed standards.

25 [(7)] (8) Every grower or handler must keep records as required by department rule. Upon not  
26 less than three days' notice, the department may subject the required records to inspection or audit  
27 during normal business hours. The department may make an inspection or audit for the purpose of  
28 ensuring compliance with:

29 (a) A provision of this section;

30 (b) Department rules;

31 (c) Industrial hemp license or agricultural hemp seed production permit requirements, terms or  
32 conditions; or

33 (d) A final department order directed to the grower's or handler's industrial hemp operations  
34 or activities.

35 [(8)] (9) In addition to any inspection conducted pursuant to ORS 561.275, the department may  
36 inspect any industrial hemp crop during the crop's growth phase and take a representative com-  
37 posite sample for field analysis. If a crop contains an average tetrahydrocannabinol concentration  
38 exceeding 0.3 percent on a dry weight basis, the department may detain, seize or embargo the crop  
39 as provided under ORS 561.605 to 561.620.

40 [(9)] (10) The department may charge growers and handlers reasonable fees as determined by the  
41 department. Moneys from fees charged under this subsection shall be deposited to the Department  
42 of Agriculture Service Fund and are continuously appropriated to the department for purposes of  
43 carrying out the duties of the department under this section and ORS 571.315.

44 **SECTION 2. As used in sections 2 to 6 of this 2015 Act, "crop," "grower" and "industrial**  
45 **hemp" have the meanings given those terms in ORS 571.300.**

1       **SECTION 3.** (1)(a) Notwithstanding ORS chapter 183, the State Department of Agricul-  
2       ture shall rescind all licenses issued under ORS 571.305 before the effective date of this 2015  
3       Act that do not comply with the requirements of ORS 571.305 as amended by section 1 of this  
4       2015 Act.

5       (b) The department shall rescind licenses as required by this subsection no later than 30  
6       days after the effective date of this 2015 Act.

7       (2)(a) The department shall issue anew licenses rescinded under subsection (1) of this  
8       section to growers that comply with the requirements of ORS 571.305 as amended by section  
9       1 of this 2015 Act.

10      (b) The department shall waive any applicable licensure fees upon issuing anew a license  
11      under this subsection.

12      (c) The department shall issue anew a license under this subsection to a grower within  
13      15 days of rescinding the license as required by subsection (1) of this section.

14      (3) The department shall provide just compensation to a grower that:

15      (a) Holds an industrial hemp license issued under ORS 571.305;

16      (b) Is unable to comply with the requirements of ORS 571.305 as amended by section 1  
17      of this 2015 Act;

18      (c) Was in compliance with the requirements of ORS 571.305 before the effective date of  
19      this 2015 Act; and

20      (d) Has planted industrial hemp plants on or before the effective date of this 2015 Act.

21      (4) The department shall determine the amount of just compensation owed to a grower  
22      described in subsection (3) of this section.

23      (5) The department shall pay the just compensation as determined under subsection (4)  
24      of this section from funds available to the department.

25      **SECTION 4.** (1) A grower of industrial hemp licensed under ORS 571.305 shall permit all  
26      the research described in this section to be conducted on the premises of the industrial hemp  
27      operation.

28      (2) The State Department of Agriculture shall coordinate with the College of Agricultural  
29      Sciences of Oregon State University to use industrial hemp operations of growers licensed  
30      under ORS 571.305 to conduct research in the following areas:

31      (a) Through the use of hemp plants, safe growing distances between industrial hemp op-  
32      erations and marijuana operations to ensure purity of crops and reduce the risk of cross-  
33      pollination;

34      (b) The feasibility of growing industrial hemp for fiber;

35      (c) The feasibility of growing industrial hemp for seed;

36      (d) The feasibility of processing industrial hemp into hemp extracts;

37      (e) The use of water in cultivating industrial hemp; and

38      (f) The tendency of industrial hemp to become feral, including the tendency of industrial  
39      hemp to persist in a seed bank after harvest and to migrate from industrial hemp fields.

40      (3) Research conducted under this section must be conducted for a minimum of one in-  
41      dustrial hemp growing season.

42      (4) The research shall comply with applicable federal law and regulations.

43      (5) On the basis of the research conducted under this section, the department shall adopt  
44      rules as provided in section 5 of this 2015 Act no later than February 1, 2017.

45      **SECTION 5.** (1) For the purpose of adopting or amending rules under ORS 571.300 to

1 571.315, the State Department of Agriculture shall convene a rules advisory committee, as  
2 described in ORS 183.333, on or before September 1, 2016.

3 (2) The rules advisory committee convened pursuant to this section must include the  
4 following nine members:

5 (a) One member who represents a local seed association located in southern Oregon;

6 (b) One member who represents a local seed association located in central Oregon;

7 (c) One member who represents a local seed association located in the Willamette Valley;

8 (d) One member who is a grower licensed under ORS 571.305;

9 (e) One member who is responsible for a marijuana grow site registered under ORS  
10 475.304;

11 (f) One member who has been issued a license under section 19, chapter 1, Oregon Laws  
12 2015;

13 (g) One member who is a representative of the College of Agricultural Sciences of Oregon  
14 State University;

15 (h) One member who is a representative of the department; and

16 (i) One member who is a representative of the Oregon Liquor Control Commission.

17 **SECTION 6.** Except as provided in section 3 of this 2015 Act, the State Department of  
18 Agriculture may not issue any licenses under ORS 571.305 to growers of industrial hemp until  
19 March 1, 2017.

20 **SECTION 7.** This 2015 Act being necessary for the immediate preservation of the public  
21 peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect  
22 on its passage.  
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