

Enrolled Senate Bill 881

Sponsored by Senator PROZANSKI

CHAPTER

AN ACT

Relating to industrial hemp; amending ORS 571.300 and 571.305.

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

SECTION 1. ORS 571.300 is amended to read:

571.300. As used in ORS 571.300 to 571.315:

(1) "Agricultural hemp seed" means Cannabis sativa seed:

(a) That meets any labeling, quality and other standards set by the Director of Agriculture and that is intended for sale or is sold to, or purchased by, licensed growers for planting; **or**

(b) That is not intended for planting, but remains in an unprocessed or partially processed condition capable of germination.

(2) "Crop" means any contiguous field of industrial hemp grown under a single license.

(3) "Grower" means a person, joint venture or cooperative that produces industrial hemp.

(4) "Handler" means a person, joint venture or cooperative that receives industrial hemp for processing into commodities, products or agricultural hemp seed.

(5) "Industrial hemp":

(a) Means all nonseed parts and varieties of the Cannabis sativa plant, whether growing or not, that contain a cropwide average tetrahydrocannabinol concentration that does not exceed 0.3 percent on a dry weight basis.

(b) Means any Cannabis sativa seed that:

(A) Is part of a growing crop;

(B) Is retained by a grower for future planting; [or]

(C) Is **agricultural hemp seed or is** for processing into, or use as, agricultural hemp seed[.];

or

(D) Has been processed in a manner or to an extent that it is incapable of germination.

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

SECTION 2. ORS 571.305 is amended to read:

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

(2) All growers and handlers must have an industrial hemp license issued by the department. Growers and handlers engaged in the production of agricultural hemp seed must also have an agricultural hemp seed production permit. **The handling of seeds and seed products that are processed in a manner or to an extent that makes them incapable of germination does not require an agricultural hemp seed production permit.**

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

(a) The name and address of the applicant;

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

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

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

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

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

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

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

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

(a) A provision of this section;

(b) Department rules;

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

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

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

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

Passed by Senate April 29, 2015

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Lori L. Brocker, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House June 9, 2015

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Tina Kotek, Speaker of House

Received by Governor:

.....M,....., 2015

Approved:

.....M,....., 2015

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2015

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Jeanne P. Atkins, Secretary of State