

Senate Bill 881

Sponsored by Senator PROZANSKI

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 **as introduced**.

Provides that seed not intended for planting but remaining capable of germination is agricultural hemp seed. Includes seed processed in manner or to extent rendering seed incapable of germination in definition of "industrial hemp." Provides that handling of seeds or seed products processed in manner or to extent of being incapable of germination does not require agricultural hemp seed production permit.

Revises language regarding minimum size of industrial hemp operation. Reduces term of industrial hemp licenses and agricultural hemp seed production permits.

A BILL FOR AN ACT

1
2 Relating to industrial hemp; amending ORS 571.300 and 571.305.

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

4 **SECTION 1.** ORS 571.300 is amended to read:

5 571.300. As used in ORS 571.300 to 571.315:

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

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

9 (b) **That is not intended for planting, but remains in an unprocessed or partially pro-**
10 **cessed condition capable of germination.**

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

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

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

15 (5) "Industrial hemp":

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

19 (b) Means any Cannabis sativa seed that:

20 (A) Is part of a growing crop;

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

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

23 **or**

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

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

26 **SECTION 2.** ORS 571.305 is amended to read:

27 571.305. (1) Industrial hemp production and possession, and commerce in industrial hemp com-
28 modities and products, are authorized in this state. Industrial hemp is an agricultural product that

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 is subject to regulation by the State Department of Agriculture.

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

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

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

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

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

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

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

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

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

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

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

35 (a) A provision of this section;

36 (b) Department rules;

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

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

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

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

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