

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 2668**

1 On page 1 of the printed A-engrossed bill, line 2, after “hemp” insert “;
2 creating new provisions; amending ORS 571.305; and declaring an
3 emergency”.

4 Delete lines 4 through 23 and delete page 2 and insert:

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

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

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

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

16 “(a) The name and address of the applicant;

17 **“(b) Proof that the applicant is a resident of this state;**

18 **“(c) A copy of federal or state government-issued identification is-**
19 **sued to the applicant;**

20 “[*(b)*] (d) The name and address of the industrial hemp operation of the
21 applicant;

22 “[*(c)*] (e) The global positioning system coordinates and legal description

1 for the property used for the industrial hemp;

2 “[d)] (f) If the industrial hemp license or agricultural hemp seed pro-
3 duction permit application is by a grower, information sufficient to establish
4 that the industrial hemp crop of the applicant will be at least 2.5 acres in
5 size; and

6 “[e)] (g) Any other information required by the department by rule.

7 **“(4) The department may not issue an industrial hemp license or**
8 **agricultural hemp seed production permit under this section to an**
9 **applicant that has an industrial hemp operation that is located within:**

10 **“(a) 1,000 feet of a public elementary or secondary school for which**
11 **attendance is compulsory under ORS 339.020 or of a private or paro-**
12 **chial elementary or secondary school that teaches children as de-**
13 **scribed in ORS 339.030 (1)(a).**

14 **“(b) Five miles of a marijuana grow site registered under ORS**
15 **475.304 or a premises for which a person has been issued a license un-**
16 **der section 19, chapter 1, Oregon Laws 2015, if the marijuana grown**
17 **at the marijuana grow site or the premises is grown outside a building,**
18 **unless the industrial hemp crop consists entirely of female industrial**
19 **hemp plants.**

20 “[4)] (5) An industrial hemp license or agricultural hemp seed production
21 permit is valid for a three-year term unless revoked and may be renewed as
22 provided by department rule. An industrial hemp license or agricultural
23 hemp seed production permit is a personal privilege that is nontransferable.

24 “[5)] (6) An agricultural hemp seed production permit authorizes a
25 grower or handler to produce and handle agricultural hemp seed for sale to
26 licensed industrial hemp growers and handlers. A seller of agricultural hemp
27 seed shall ensure that the seed complies with any standards set by the Di-
28 rector of Agriculture under ORS 633.511 to 633.750. The department shall
29 make available to growers information that identifies sellers of agricultural
30 hemp seed.

1 “[(6)] (7) Subject to department guidelines, a grower may retain seed from
2 each industrial hemp crop to ensure a sufficient supply of seed for that
3 grower for the following year. A grower does not need an agricultural hemp
4 seed production permit in order to retain seed for future planting. Seed re-
5 tained by a grower may not be sold or transferred and does not need to meet
6 the department’s agricultural hemp seed standards.

7 “[(7)] (8) Every grower or handler must keep records as required by de-
8 partment rule. Upon not less than three days’ notice, the department may
9 subject the required records to inspection or audit during normal business
10 hours. The department may make an inspection or audit for the purpose of
11 ensuring compliance with:

12 “(a) A provision of this section;

13 “(b) Department rules;

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

16 “(d) A final department order directed to the grower’s or handler’s in-
17 dustrial hemp operations or activities.

18 “[(8)] (9) In addition to any inspection conducted pursuant to ORS 561.275,
19 the department may inspect any industrial hemp crop during the crop’s
20 growth phase and take a representative composite sample for field analysis.
21 If a crop contains an average tetrahydrocannabinol concentration exceeding
22 0.3 percent on a dry weight basis, the department may detain, seize or em-
23 bargo the crop as provided under ORS 561.605 to 561.620.

24 “[(9)] (10) The department may charge growers and handlers reasonable
25 fees as determined by the department. Moneys from fees charged under this
26 subsection shall be deposited to the Department of Agriculture Service Fund
27 and are continuously appropriated to the department for purposes of carrying
28 out the duties of the department under this section and ORS 571.315.

29 **“SECTION 2. Sections 3 to 5 of this 2015 Act are added to and made**
30 **a part of ORS 571.300 to 571.315.**

1 **“SECTION 3. (1) The State Department of Agriculture shall revoke**
2 **an industrial hemp license or agricultural hemp seed production per-**
3 **mit issued under ORS 571.305 if the license or permit was issued for**
4 **an application, or to an applicant, that did not provide all of the fol-**
5 **lowing information:**

6 **“(a) The name and address of the applicant;**

7 **“(b) The name and address of the industrial hemp operation of the**
8 **applicant;**

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

11 **“(d) If the industrial hemp license or agricultural hemp seed pro-**
12 **duction permit application was by a grower, information sufficient to**
13 **establish that the industrial hemp crop of the applicant would be at**
14 **least 2.5 acres in size; or**

15 **“(e) Any other information that the department required by rules**
16 **that were adopted before the effective date of this 2015 Act.**

17 **“(2) A grower or handler whose industrial hemp license or agricul-**
18 **tural hemp seed production permit is revoked under subsection (1) of**
19 **this section may apply for a license or permit after the date of revo-**
20 **cation.**

21 **“(3) The department shall provide just compensation to a grower if**
22 **the grower’s industrial hemp license or agricultural hemp seed pro-**
23 **duction permit is revoked and the grower:**

24 **“(a) Incurred costs in establishing an industrial hemp crop; and**

25 **“(b) Is unable to obtain a license to maintain an existing industrial**
26 **hemp crop.**

27 **“(4) The department shall employ or enter into an agreement with**
28 **a person that is knowledgeable in the valuation of industrial hemp**
29 **crops for the purpose of determining the amount of just compensation**
30 **owed to a grower described in subsection (3) of this section.**

1 “(5) The department shall pay the just compensation as determined
2 under subsection (4) of this section from funds available to the de-
3 partment.

4 “SECTION 4. The State Department of Agriculture, in collaboration
5 with the College of Agricultural Sciences of Oregon State University,
6 shall inspect industrial hemp crops to ensure that:

7 “(1) The industrial hemp crops do not include any variety of plant
8 in the Cannabis family Cannabaceae that contains a cropwide average
9 tetrahydrocannabinol concentration exceeding 0.3 percent on a dry
10 weight basis; and

11 “(2) The industrial hemp operation is in compliance with the re-
12 quirements of ORS 571.305.

13 “SECTION 5. (1) For the purpose of assisting the State Department
14 of Agriculture in carrying out the provisions of ORS 571.305 and sec-
15 tion 4 of this 2015 Act, the Oregon Health Authority and the Oregon
16 Liquor Control Commission shall provide the department and the
17 College of Agricultural Sciences of Oregon State University with lists
18 of addresses where all marijuana grow sites and all of the premises for
19 which a license has been issued under section 19, chapter 1, Oregon
20 Laws 2015, are located in this state.

21 “(2) The lists described in subsection (1) of this section are confi-
22 dential and may not be disclosed to any other person.

23 “SECTION 6. (1) The State Department of Agriculture shall adopt
24 rules, or amend existing rules as necessary to carry out the require-
25 ments of sections 3 to 5 of this 2015 Act and the amendments to ORS
26 571.305 by section 1 of this 2015 Act.

27 “(2) The department may not issue industrial hemp licenses under
28 ORS 571.305, as amended by section 1 of this 2015 Act, until the com-
29 pletion of the rulemaking process required by subsection (1) of this
30 section.

1 “(3) The rules adopted or amended under this section must conform
2 to applicable provisions of federal law and regulations of the United
3 States Department of Agriculture regarding agricultural commodities.

4 “SECTION 7. (1) A grower licensed under ORS 571.305 shall coordi-
5 nate with the College of Agricultural Sciences of Oregon State Uni-
6 versity to use the grower’s industrial hemp crop to conduct research
7 in one of the following areas:

8 “(a) Through the use of hop plants, the distance that industrial
9 hemp pollen travels for the purpose of determining safe growing dis-
10 tances between industrial hemp operations and other plants in the
11 Cannabis family Cannabaceae;

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

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

14 “(d) The feasibility of processing industrial hemp into hemp ex-
15 tracts;

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

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

20 “(2) Research conducted under this section must be conducted for
21 a minimum of three years.

22 “(3) The grower and the college shall report the findings from the
23 research conducted under subsection (1) of this section to the State
24 Department of Agriculture.

25 “(4) On the basis of the research conducted under this section, the
26 department shall adopt rules establishing safe growing distances be-
27 tween industrial hemp operations and marijuana grow sites registered
28 under ORS 475.304 or premises for which a person has been issued a
29 license under section 19, chapter 1, Oregon Laws 2015.

30 “SECTION 8. This 2015 Act being necessary for the immediate

1 **preservation of the public peace, health and safety, an emergency is**
2 **declared to exist, and this 2015 Act takes effect on its passage.”.**

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