

SB 1015 A STAFF MEASURE SUMMARY**Carrier:** Sen. Prozanski**Joint Committee On Marijuana Regulation****Action Date:** 05/30/17**Action:** Do pass with amendments. (Printed A-Eng.)**Senate Vote****Yeas:** 5 - Beyer, Burdick, Ferrioli, Kruse, Prozanski**House Vote****Yeas:** 5 - Fahey, Helm, Lininger, Olson, Wilson**Fiscal:** Fiscal impact issued**Revenue:** No revenue impact**Prepared By:** Adam Crawford, LPRO Analyst**WHAT THE MEASURE DOES:**

Defines "industrial hemp concentrate" and "industrial hemp extract." Allows an industrial hemp grower to deliver industrial hemp to an Oregon Liquor Control Commission (OLCC) licensed marijuana processor (processor) to be made into industrial hemp concentrates and industrial hemp extracts if certain conditions are met. Allows an industrial hemp handler to deliver industrial hemp extracts or concentrates to a processor if certain conditions are met. Allows a processor to process industrial hemp, industrial concentrates and industrial hemp extracts and use them to supplement the processing of any marijuana item. Allows the processor to sell industrial hemp extracts, concentrates, or products to an OLCC licensed marijuana retailer.

Prohibits the retail sale of industrial hemp commodities or product in Oregon unless the process used to create them met the same or substantially the same requirements as those found in Oregon. Exempts OLCC licensed marijuana retailers from this prohibition. Takes effect on the 91st day after adjournment.

ISSUES DISCUSSED:

- Definition of hemp versus cannabis
- Existing industrial hemp producer and handler requirements
- The hemp industry in Oregon and nationwide

EFFECT OF AMENDMENT:

Replaces measure.

BACKGROUND:

In 2009, the Legislative Assembly passed Senate Bill 676 which allowed the Oregon Department of Agriculture (ODA) to license industrial hemp growers and handlers. ODA licensed the first industrial hemp grower in early 2015. One of the major features that define industrial hemp is that the crop has to contain less than 0.3 percent tetrahydrocannabinol (THC), the psychoactive compound found in marijuana. While industrial hemp can be used to create fibers and fabrics, the plant also contains cannabinoid compounds. These compounds have been linked to positive medical treatments, but due to federal regulations scientists have completed few peer-reviewed medical trials to verify these links.

Senate Bill 1015 A allows OLCC licensed marijuana processors (processors) to take industrial hemp from industrial hemp growers and also receive industrial hemp concentrates or extracts from industrial hemp handlers. The processor could then use the concentrates or extracts in the creation of marijuana products for sale to marijuana wholesalers or retailers. The measure would also prohibit the sale of industrial hemp commodities or products in Oregon unless the process used to create them met the same or substantially the same requirements as those found in Oregon while exempting OLCC licensed marijuana retailers from this prohibition.