

Enrolled
Senate Bill 1015

Sponsored by Senator FERRIOLI, Representative WILSON; Representative FAHEY

CHAPTER

AN ACT

Relating to cannabis; creating new provisions; amending ORS 571.300; and prescribing an effective date.

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

SECTION 1. ORS 571.300, as amended by section 1, chapter 71, Oregon Laws 2016, is amended to read:

571.300. As used in ORS 571.300 to 571.315:

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

(a) That is sold to or intended to be sold to registered growers for planting; or

(b) That remains in an unprocessed or partially processed condition that is capable of germination.

(2) "Crop" means industrial hemp grown under a single registration.

(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 plant, whether growing or not, that contain an average tetrahydrocannabinol concentration that does not exceed 0.3 percent on a dry weight basis.

(b) Means any Cannabis seed:

(A) That is part of a crop;

(B) That is retained by a grower for future planting;

(C) That is agricultural hemp seed;

(D) That is for processing into or for use as agricultural hemp seed; or

(E) That has been processed in a manner or to an extent that the Cannabis seed is incapable of germination.

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

(6) "Industrial hemp concentrate" means an industrial hemp product obtained by separating cannabinoids from industrial hemp by:

(a) A mechanical process;

(b) A chemical extraction process using a nonhydrocarbon-based solvent, such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;

(c) A chemical extraction process using carbon dioxide, provided that the process does not involve the use of high heat or pressure; or

(d) Any other process identified by the State Department of Agriculture by rule.

(7) “Industrial hemp extract” means an industrial hemp product obtained by separating cannabinoids from industrial hemp by:

(a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane or propane;

(b) A chemical extraction process using carbon dioxide, if the process uses high heat or pressure; or

(c) Any other process identified by the department by rule.

SECTION 2. Sections 3 and 4 of this 2017 Act are added to and made a part of ORS 571.300 to 571.315.

SECTION 3. (1) As used in this section, “licensee,” “marijuana,” “marijuana item” and “marijuana processor” have the meanings given those terms in ORS 475B.015.

(2) A grower registered under ORS 571.305 may deliver industrial hemp, and a handler registered under ORS 571.305 may deliver industrial hemp concentrates and industrial hemp extracts, to a marijuana processor that holds a license issued under ORS 475B.090, if:

(a) The grower or handler and the marijuana processor are registered with the Oregon Liquor Control Commission, in a form and manner prescribed by the commission, for the purpose of processing industrial hemp, industrial hemp concentrates and industrial hemp extracts;

(b) The marijuana processor is provided with the results of any test conducted on the industrial hemp, industrial hemp concentrate or industrial hemp extract pursuant to ORS 571.300 to 571.315 as a condition of the marijuana processor’s receiving the industrial hemp, industrial hemp concentrate or industrial hemp extract;

(c) The marijuana processor keeps the results of any test that the marijuana processor receives pursuant to paragraph (b) of this subsection in a form and manner prescribed by the commission;

(d) The industrial hemp, industrial hemp concentrate or industrial hemp extract is tracked using the system developed and maintained under ORS 475B.150 when the industrial hemp, industrial hemp concentrate or industrial hemp extract is delivered to the premises of the marijuana processor; and

(e) The grower or handler and the marijuana processor meet any other requirement established by the commission by rule.

(3) Industrial hemp, industrial hemp concentrates and industrial hemp extracts may be processed by a marijuana processor registered under this section into any industrial hemp commodity or product or used by a marijuana processor registered under this section to supplement the processing of any marijuana item.

(4) An industrial hemp concentrate, industrial hemp extract, industrial hemp commodity or product or marijuana item processed pursuant to this section may be delivered by a marijuana processor registered under this section to a licensee as described in ORS 475B.160, provided that the industrial hemp concentrate, industrial hemp extract, industrial hemp commodity or product or marijuana item meets any applicable requirement for marijuana items set forth in ORS 475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted under ORS 475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to 475B.655.

(5) The commission may impose an annual fee reasonably calculated to not exceed the cost of administering this section on growers registered under this section, handlers registered under this section and marijuana processors registered under this section. Fees collected under this section shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.240. Moneys deposited in the fund pursuant to this subsection are continuously appropriated to the commission for the purpose of administering this section.

SECTION 4. A person may not make a retail sale of industrial hemp commodities or products in this state unless the industrial hemp commodities or products and the industrial

hemp used to process the industrial hemp commodities or products meet the same or substantially the same requirements for processing industrial hemp commodities or products or growing industrial hemp set forth in ORS 571.300 to 571.315 and rules adopted under ORS 571.300 to 571.315. This section does not apply to the retail sale of industrial hemp commodities or products by a marijuana retailer, as defined in ORS 475B.015, that holds a license issued under ORS 475B.110.

SECTION 5. (1) Section 3 of this 2017 Act and the amendments to ORS 571.300 by section 1 of this 2017 Act become operative on January 1, 2018.

(2) The Oregon Liquor Control Commission and the State Department of Agriculture may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the commission and department to exercise, on and after the operative date specified in subsection (1) of this section, all the duties, functions and powers conferred on the commission and department by section 3 of this 2017 Act and the amendments to ORS 571.300 by section 1 of this 2017 Act.

SECTION 6. This 2017 Act takes effect on the 91st day after the date on which the 2017 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.

Passed by Senate June 12, 2017

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Lori L. Brocker, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House June 22, 2017

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Tina Kotek, Speaker of House

Received by Governor:

.....M.,....., 2017

Approved:

.....M.,....., 2017

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2017

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Dennis Richardson, Secretary of State