

Senate Bill 1564

Sponsored by Senator GOLDEN, Representative MARSH; Senators FREDERICK, KENNEMER, MANNING JR, TAYLOR, Representatives KROPF, LIVELY, SCHOUTEN, WILDE (Pre-session filed.)

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**.

Allows State Department of Agriculture to, based on supply of and demand for industrial hemp, refuse to issue industrial hemp grower license for amount of time department determines necessary. Requires department to study effects of refusal to issue grower license and to submit report to committee of Legislative Assembly related to agriculture not later than March 30, 2024. Sunsets March 31, 2024.

Renames Task Force on Cannabis-Derived Intoxicants as Task Force on Cannabis-Derived Intoxicants and Illegal Cannabis Production. Increases membership of task force, and expands task force's scope of work.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to cannabis; creating new provisions; amending section 37, chapter 542, Oregon Laws 2021;
3 and declaring an emergency.

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

5 **SECTION 1. (1) The State Department of Agriculture may, based on the supply of and**
6 **demand for industrial hemp, as defined in ORS 571.269, refuse to issue grower licenses under**
7 **ORS 571.281 for an amount of time that the department determines necessary.**

8 **(2) Subsection (1) of this section does not apply to the renewal of a grower license under**
9 **ORS 571.281.**

10 **(3) The department shall process an application for a grower license under ORS 571.281**
11 **if the application was received before June 15, 2021.**

12 **(4) An applicant that submitted an application for a grower license under ORS 571.281 on**
13 **or before June 15, 2021, may not change the address of the industrial hemp operation.**

14 **(5) The department shall inactivate an application for a grower license under ORS 571.281**
15 **that was received after June 15, 2021.**

16 **(6)(a) The department shall adopt rules to establish timelines for the completion of ap-**
17 **plications for grower licenses under ORS 571.281, including rules to specify times by which**
18 **an applicant must complete any necessary steps for licensing after the applicant's application**
19 **is assigned to a department staff member for processing.**

20 **(b) The department may adopt other rules as necessary to carry out this section, in-**
21 **cluding rules that enable the department to pause the processing of an application that has**
22 **been assigned to a department staff member in consideration of department resources to**
23 **process applications.**

24 **(7)(a) The department shall study the effects of subsections (1) to (6) of this section on**
25 **the industrial hemp industry.**

26 **(b) Not later than March 30, 2024, the department shall submit a report to a committee**
27 **of the Legislative Assembly related to agriculture, in the manner provided in ORS 192.245,**

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 **on the findings of the study described in this subsection.**

2 **SECTION 2. Section 1 of this 2022 Act is repealed on March 31, 2024.**

3 **SECTION 3.** Section 37, chapter 542, Oregon Laws 2021, is amended to read:

4 **Sec. 37.** (1) The Task Force on Cannabis-Derived Intoxicants **and Illegal Cannabis Production**
5 is established.

6 (2) The task force consists of [15] **20** members appointed as follows:

7 (a) The President of the Senate shall appoint one member from among the members of the Sen-
8 ate;

9 (b) The Senate Minority Leader shall appoint one member from among the members of the Sen-
10 ate;

11 (c) The Speaker of the House of Representatives shall appoint one member from among the
12 members of the House of Representatives;

13 (d) The House Minority Leader shall appoint one member from among the members of the House
14 of Representatives; and

15 (e) The Governor shall appoint [11] **16** members as follows:

16 (A) One member who represents counties in this state;

17 (B) One member who represents cities in this state;

18 (C) One member who represents [law enforcement agencies] **sheriffs**;

19 (D) One member who represents industrial hemp growers registered or licensed under ORS
20 571.281;

21 (E) One member who represents industrial hemp handlers registered or licensed under ORS
22 571.281;

23 (F) The director of the Oregon State University Global Hemp Innovation Center, or a designee
24 of the director;

25 (G) Two members who represent licensees, as defined in ORS [475B.015] **475C.009**;

26 (H) The Director of Agriculture, or a designee of the director;

27 (I) The director of the Oregon Health Authority Public Health Division, or a designee of the
28 director; [and]

29 (J) The administrator of the Oregon Liquor [Control] **and Cannabis** Commission, or a designee
30 of the administrator[.];

31 **(K) One member who represents district attorneys;**

32 **(L) The Commissioner of the Bureau of Labor and Industries, or a designee of the com-**
33 **missioner;**

34 **(M) The Water Resources Director, or designee of the director;**

35 **(N) One member who represents the Department of Justice; and**

36 **(O) One member who represents the Department of State Police.**

37 (3) The task force shall consider:

38 (a) Changes to state law to support the regulation of intoxicating cannabis-derived products and
39 artificially derived cannabinoids;

40 (b) The consolidation of administrative functions related to the regulation of cannabis;

41 (c) Methods to prevent sales to minors of industrial hemp commodities or products that contain
42 intoxicating cannabinoids;

43 (d) Regulation to address genetic engineering of cannabis;

44 (e) Testing requirements and methods of enforcement of testing requirements for cannabinoids,
45 including artificially derived cannabinoids, to protect the public health and safety;

1 (f) Policy changes related to interstate commerce and transportation of cannabis;

2 (g) Changes to state regulation of cannabis as a result of federal laws; *[and]*

3 **(h) Changes to state law to address labor trafficking;**

4 **(i) Changes to state law to address water theft and other unauthorized uses of water;**

5 **(j) Changes to state law relating to the processing of search warrants in order to in-**
 6 **crease efficiency;**

7 **(k) Optimal funding sources and structure to enable the ongoing involvement of law**
 8 **enforcement agencies in combatting illegal cannabis production; and**

9 *[(h)]* **(L)** Input from marijuana and industrial hemp industry members.

10 (4) A majority of the members of the task force constitutes a quorum for the transaction of
 11 business.

12 (5) Official action by the task force requires the approval of a majority of the members of the
 13 task force.

14 (6) The task force shall elect one of its members to serve as chairperson.

15 (7) If there is a vacancy for any cause, the appointing authority shall make an appointment to
 16 become immediately effective.

17 (8) The task force shall meet at times and places specified by the call of the chairperson or of
 18 a majority of the members of the task force.

19 (9) The task force may adopt rules necessary for the operation of the task force.

20 (10) Not later than June 30, 2022, the State Department of Agriculture shall report to the task
 21 force on the implementation of *[section 18 of this 2021 Act]* **ORS 571.312**.

22 (11)(a) The task force shall submit a report in the manner provided by ORS 192.245, and shall
 23 include initial findings and recommendations for legislation, to the interim committee of the Legis-
 24 lative Assembly related to economic development no later than December 31, 2021.

25 (b) The task force shall submit a report in the manner provided by ORS 192.245, and shall in-
 26 clude final findings and recommendations for legislation, to the interim committee of the Legislative
 27 Assembly related to economic development no later than December 31, 2022. The report submitted
 28 under this paragraph must include a summary of the information submitted to the task force by the
 29 department under subsection (10) of this section.

30 (12) The Oregon Liquor *[Control]* **and Cannabis** Commission and the State Department of Agri-
 31 culture, in consultation with the Oregon Health Authority, *[and]* the Department of Revenue, **the**
 32 **Water Resources Department and the Bureau of Labor and Industries**, shall provide staff
 33 support to the task force.

34 (13) Members of the task force who are not members of the Legislative Assembly are not enti-
 35 tled to compensation or reimbursement for expenses and serve as volunteers on the task force.

36 (14) All agencies of state government, as defined in ORS 174.111, are directed to assist the task
 37 force in the performance of the duties of the task force and, to the extent permitted by laws relating
 38 to confidentiality, to furnish information and advice the members of the task force consider neces-
 39 sary to perform their duties.

40 **SECTION 4. This 2022 Act being necessary for the immediate preservation of the public**
 41 **peace, health and safety, an emergency is declared to exist, and this 2022 Act takes effect**
 42 **on its passage.**