PROPOSED AMENDMENTS TO SENATE BILL 844

- In line 2 of the printed bill, after the semicolon delete the rest of the line
- 2 and insert "creating new provisions; and amending ORS 475.314 and section
- 3 5, chapter 1, Oregon Laws 2015.".

- Delete lines 4 through 14 and insert:
- "SECTION 1. As used in sections 1 to 9 of this 2015 Act:
- "(1) 'Cannabinoid edible' means food or potable liquid into which a cannabinoid extract or the dried leaves or flowers of marijuana have been incorporated.
- "(2) 'Cannabinoid extract' means a product containing cannabinoids that have been separated from marijuana by chemical or mechanical processes.
- "(3)(a) 'Marijuana' means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.
- 15 "(b) 'Marijuana' does not include industrial hemp, as defined in ORS 571.300.
- "(4)(a) 'Marijuana product' means a cannabinoid edible, a cannabinoid extract or any other product into which cannabinoids or the dried leaves or flowers of marijuana have been incorporated.
- 20 "(b) 'Marijuana product' does not include industrial hemp, as de-21 fined in ORS 571.300.
 - "(5) 'Processing' means the conversion of marijuana into marijuana

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- "(6) 'Production' means planting, cultivating, growing, trimming and harvesting marijuana and drying marijuana leaves and flowers.
- "(7) 'Usable marijuana' means the dried leaves and flowers of marijuana and any mixture or preparation of the dried leaves and flowers of marijuana, including any marijuana product, that is appropriate for use as allowed in ORS 475.300 to 475.346 or sections 3 to 70, chapter 1, Oregon Laws 2015.
 - "SECTION 2. (1) Sections 1 to 9 of this 2015 Act and rules adopted under sections 1 to 9 of this 2015 Act shall serve as the basis for establishing the minimum standards for labeling and packaging usable marijuana in this state as required under ORS 475.300 to 475.346 and section 50, chapter 1, Oregon Laws 2015.
 - "(2) Sections 1 to 9 of this 2015 Act do not prevent the Oregon Health Authority or the Oregon Liquor Control Commission from establishing additional minimum standards for labeling and packaging usable marijuana, or from establishing minimum standards for producing or processing marijuana or usable marijuana, if the authority or commission is otherwise authorized under the laws of this state to establish those standards.
 - "SECTION 3. The Oregon Health Authority shall require all usable marijuana transferred by a person registered under ORS 475.314, and the Oregon Liquor Control Commission shall require all usable marijuana sold by a marijuana retailer that holds a license under section 22, chapter 1, Oregon Laws 2015, to have been labeled and packaged in a manner that ensures the public health and safety. Labeling and packaging usable marijuana as required by this section must be done in accordance with section 4 of this 2015 Act.
 - "SECTION 4. (1) The Oregon Liquor Control Commission, in consultation with the Oregon Health Authority, shall adopt rules estab-

- lishing minimum standards for labeling and packaging usable marijuana. At a minimum, rules adopted under this section shall:
- "(a) Ensure that the dried leaves and flowers of marijuana, cannabinoid edibles, cannabinoid extracts and other marijuana products, as determined necessary by the commission, are packaged in child-resistant safety packaging;
- "(b) Ensure that the dried leaves and flowers of marijuana, cannabinoid edibles, cannabinoid extracts and other marijuana products, as determined necessary by the commission, are not marketed in a manner that is untruthful or misleading, or that otherwise creates a significant risk to public health and safety;
 - "(c) Ensure that cannabinoid edibles and other marijuana products, as determined necessary by the commission, are not processed or packaged in a manner that is attractive to minors;
 - "(d) Ensure that cannabinoid edibles and other marijuana products, as determined necessary by the commission, are not marketed in a manner that is attractive to minors;
 - "(e) Ensure that cannabinoid edibles, cannabinoid extracts and other marijuana products, as determined necessary by the commission, contain an amount of cannabinoid per serving, or a ratio of cannabidiol to tetrahydrocannabinol, that is fit for consumption, as determined by the commission by rule; and
 - "(f) Ensure that cannabinoid edibles are labeled in accordance with any state or federal law, rule or regulation prescribing a labeling requirement for the same type of food product or potable liquid when the food product or potable liquid does not contain marijuana or cannabinoids.
- "(2) In adopting rules under subsection (1) of this section, the commission:
 - "(a) May establish different minimum standards for different vari-

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- eties of marijuana or for different types of marijuana products;
- "(b) May establish different procedures and standards for persons registered under ORS 475.300 to 475.346 and persons licensed under sections 3 to 70, chapter 1, Oregon Laws 2015;
- "(c) Shall consider the cost of a potential requirement and the feasibility that a person registered under ORS 475.300 to 475.346 or a persons licensed under sections 3 to 70, chapter 1, Oregon Laws 2015, can afford to comply with the requirement; and
- 9 "(d) May not adopt rules that are more restrictive than is necessary 10 to protect the public health and safety.
 - "SECTION 5. Sections 1 to 9 of this 2015 Act do not apply to a person responsible for a marijuana grow site under ORS 475.304 who transfers marijuana or usable marijuana to a person who holds a registry identification card issued under ORS 475.309 or a person who has been designated as a registry identification cardholder's primary caregiver under ORS 475.312.
 - "SECTION 6. (1) The Oregon Health Authority may inspect the premises of a marijuana grow site registered under ORS 475.304 or a medical marijuana facility registered under ORS 475.314 to ensure compliance with sections 1 to 9 of this 2015 Act and any rule adopted under sections 1 to 9 of this 2015 Act.
 - "(2) The Oregon Liquor Control Commission may inspect the premises of a person who holds a license under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, to ensure compliance with sections 1 to 9 of this 2015 Act and any rule adopted under sections 1 to 9 of this 2015 Act.
- "(3) The state police, sheriffs and other police officers within this state shall assist the authority and the commission in enforcing sections 1 to 9 of this 2015 Act and any rule adopted under sections 1 to 9 of this 2015 Act. A member of the state police, a sheriff or any

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- other police officer who has notice, knowledge or reasonable ground
- of suspicion of a violation of sections 1 to 9 of this 2015 Act or of a rule
- adopted under sections 1 to 9 of this 2015 Act shall immediately notify
- 4 the district attorney of the county in which the violation occurred and
- 5 furnish the district attorney with any information related to the vio-
- 6 lation, including the name and address of any witness to the violation.
- 7 "(4) The authority and the commission may enter into an agree-
- 8 ment whereby the commission conducts inspections on behalf of the
- 9 authority under this section.

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- "SECTION 7. Subject to the applicable provisions of ORS chapter 11 183:
 - "(1) The Oregon Health Authority may refuse to register a person under ORS 475.304 or 475.314, may suspend activities conducted by a registrant pursuant to ORS 475.304 or 475.314, or may remove a registrant from a registry kept pursuant to ORS 475.304 or 475.314, if the person violates any provision of sections 1 to 9 of this 2015 Act or any rule adopted under sections 1 to 9 of this 2015 Act.
 - "(2) The Oregon Liquor Control Commission may refuse to issue or renew, or may suspend or revoke, a license issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, if the applicant or licensee violates a provision of sections 1 to 9 of this 2015 Act or any rule adopted under sections 1 to 9 of this 2015 Act.
- 23 "SECTION 8. In addition to any other liability or penalty provided by law:
- "(1)(a) The Oregon Health Authority may impose for each violation of a provision of sections 1 to 9 of this 2015 Act, or a rule adopted under a provision of sections 1 to 9 of this 2015 Act, a civil penalty that does not exceed \$5,000 for each day that the violation occurs. The authority shall impose civil penalties under this subsection in the manner provided by ORS 183.745.

- 1 (b) Moneys collected under this subsection shall be deposited in the 2 Oregon Health Authority Fund established under ORS 413.101 and are 3 continuously appropriated to authority for the purpose of carrying out 4 the duties, functions and powers of the authority under sections 1 to 5 9 of this 2015 Act.
- "(2)(a) The Oregon Liquor Control Commission may impose for each violation of a provision of sections 1 to 9 of this 2015 Act, or a rule adopted under a provision of sections 1 to 9 of this 2015 Act, a civil penalty that does not exceed \$5,000 for each day that the violation occurs. The commission shall impose civil penalties under this subsection in the manner provided by ORS 183.745.
 - (b) Moneys collected under this subsection shall be deposited in the Marijuana Packaging and Labeling Fund established under section 9 of this 2015 Act.
 - "SECTION 9. The Marijuana Packaging and Labeling Fund is established in the State Treasury, separate and distinct from the General Fund. The Marijuana Packaging and Labeling Fund shall consist of all moneys collected by the Oregon Liquor Control Commission under sections 1 to 9 of this 2015 Act. Interest earned by the fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the commission to administer and enforce sections 1 to 9 of this 2015 Act.
- "SECTION 10. ORS 475.314, as amended by section 5, chapter 79, Oregon Laws 2014, is amended to read:
- "475.314. (1) The Oregon Health Authority shall establish by rule a medical marijuana facility registration system to authorize the transfer of usable marijuana and immature marijuana plants from:
- "(a) A registry identification cardholder, the designated primary caregiver of a registry identification cardholder, or a person responsible for a marijuana grow site to the medical marijuana facility; or

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- "(b) A medical marijuana facility to a registry identification cardholder 1 or the designated primary caregiver of a registry identification cardholder.
- "(2) The registration system established under subsection (1) of this sec-3
- tion must require a medical marijuana facility to submit an application to 4
- the authority that includes: 5

- "(a) The name of the person responsible for the medical marijuana facil-6 ity; 7
- "(b) The address of the medical marijuana facility; 8
- "(c) Proof that the person responsible for the medical marijuana facility 9 is a resident of Oregon; 10
- "(d) Documentation, as required by the authority by rule, that demon-11 strates the medical marijuana facility meets the qualifications for a medical 12 marijuana facility as described in subsection (3) of this section; and 13
- "(e) Any other information that the authority considers necessary. 14
- "(3) To qualify for registration under this section, a medical marijuana 15 facility: 16
- "(a) Must be located in an area that is zoned for commercial, industrial 17 or mixed use or as agricultural land; 18
 - "(b) May not be located at the same address as a marijuana grow site;
- "(c) Must be registered as a business or have filed a pending application 20 to register as a business with the Office of the Secretary of State; 21
- "(d) Must not be located within 1,000 feet of the real property comprising 22 a public or private elementary, secondary or career school attended primarily 23 by minors; 24
- "(e) Must not be located within 1,000 feet of another medical marijuana 25 facility; and 26
- "(f) Must comport with rules adopted by the authority related to: 27
- "(A) Installing a minimum security system, including a video surveillance 28 system, alarm system and safe; and 29
- "(B) Testing for pesticides, mold and mildew and the processes by which 30

- 1 usable marijuana and immature marijuana plants that test positive for pes-
- 2 ticides, mold or mildew must be returned to the registry identification
- 3 cardholder, the cardholder's designated primary caregiver or the cardholder's
- 4 registered grower.
- 5 "(4)(a) The authority shall conduct a criminal records check under ORS
- 6 181.534 of a person whose name is submitted as the person responsible for a
- 7 medical marijuana facility under subsection (2) of this section.
- 8 "(b) A person convicted for the manufacture or delivery of a controlled
- 9 substance in Schedule I or Schedule II may not be the person responsible for
- a medical marijuana facility for five years from the date the person is con-
- 11 victed.
- "(c) A person convicted more than once for the manufacture or delivery
- of a controlled substance in Schedule I or Schedule II may not be the person
- 14 responsible for a medical marijuana facility.
- 15 "(5) If a person submits the application required under subsection (2) of
- 16 this section, the medical marijuana facility identified in the application
- 17 meets the qualifications for a medical marijuana facility described in sub-
- 18 section (3) of this section and the person responsible for the medical
- 19 marijuana facility passes the criminal records check required under sub-
- section (4) of this section, the authority shall register the medical marijuana
- 21 facility and issue the person responsible for the medical marijuana facility
- 22 proof of registration. The person responsible for the medical marijuana fa-
- 23 cility shall display the proof of registration on the premises of the medical
- 24 marijuana facility at all times when usable marijuana or immature
- 25 marijuana plants are being transferred as described in subsection (1) of this
- 26 section.
- 27 "(6)(a) A registered medical marijuana facility may receive usable
- 28 marijuana or immature marijuana plants only from a registry identification
- 29 cardholder, designated primary caregiver or person responsible for a
- 30 marijuana grow site if the registered medical marijuana facility obtains au-

- 1 thorization, on a form prescribed by the authority by rule and signed by a
- 2 registry identification cardholder, to receive the usable marijuana or imma-
- 3 ture marijuana plants.

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- 4 "(b) A registered medical marijuana facility shall maintain:
- 5 "(A) A copy of each authorization form described in paragraph (a) of this 6 subsection; and
- 7 "(B) Documentation of each transfer of usable marijuana or immature 8 marijuana plants.
- "(7) A medical marijuana facility registered under this section may possess usable marijuana and immature marijuana plants in excess of the limits imposed on registry identification cardholders and designated primary caregivers under ORS 475.320.
 - "[(8)(a) A registered medical marijuana facility may not transfer any tetrahydrocannabinol-infused product that is meant to be swallowed or inhaled, unless the product is packaged in child-resistant safety packaging that meets standards established by the authority by rule.]
 - "[(b) A registered medical marijuana facility may not transfer any tetrahydrocannabinol-infused product that is manufactured or packaged in a manner that is attractive to minors, as determined by the authority by rule.]
- "(9)] (8) The authority may inspect:
- "(a) The premises of an applicant for a medical marijuana facility or a registered medical marijuana facility to ensure compliance with the qualifications for a medical marijuana facility described in subsection (3) of this section; and
- 25 "(b) The records of a registered medical marijuana facility to ensure 26 compliance with subsection (6)(b) of this section.
- "[(10)(a)] (9)(a) A registry identification cardholder or the designated primary caregiver of a registry identification cardholder may reimburse a medical marijuana facility registered under this section for the normal and customary costs of doing business, including costs related to transferring,

- 1 handling, securing, insuring, testing, packaging and processing usable
- 2 marijuana and immature marijuana plants and the cost of supplies, utilities
- 3 and rent or mortgage.
- 4 "(b) A medical marijuana facility may reimburse a person responsible for
- 5 a marijuana grow site under this section for the normal and customary costs
- of doing business, including costs related to transferring, handling, securing,
- 7 insuring, testing, packaging and processing usable marijuana and immature
- 8 marijuana plants and the cost of supplies, utilities and rent or mortgage.
- 9 "[(11)] (10) The authority may revoke the registration of a medical
- 10 marijuana facility registered under this section for failure to comply with
- ORS 475.300 to 475.346, rules adopted under ORS 475.300 to 475.346 or ordi-
- nances adopted pursuant to section 2, chapter 79, Oregon Laws 2014. The
- 13 authority may release to the public a final order revoking a medical
- 14 marijuana facility registration.
- "[(12)] (11) The authority shall adopt rules to implement this section, in-
- 16 cluding rules that:
- "(a) Require a medical marijuana facility registered under this section to
- annually renew that registration; and
- "(b) Establish fees for registering and renewing registration for a medical
- 20 marijuana facility under this section.
- "SECTION 11. Section 5, chapter 1, Oregon Laws 2015, is amended to
- 22 read:
- "Sec. 5. As used in sections 3 to 70, chapter 1, Oregon Laws 2015 [of
- 24 *this Act*]:
- "(1) 'Authority' means the Oregon Health Authority.
- "(2) 'Commission' means the Oregon Liquor Control Commission.
- 27 "(3) 'Consumer' means a person who purchases, acquires, owns, holds[,]
- or uses marijuana items other than for the purpose of resale.
- "(4) 'Department' means the State Department of Agriculture.
- "(5)(a) ['Financial consideration,' except as provided in paragraph (b) of

- 1 this subsection,] 'Financial consideration' means value that is given or re-
- 2 ceived directly or indirectly through sales, barter, trade, fees, charges, dues,
- 3 contributions or donations.
- 4 "(b) 'Financial consideration' does not mean any of the following:
- 5 "(A) Homegrown marijuana made by another person.
- 6 "(B) Homemade marijuana products made by another person.
- 7 "(6) 'Homegrown' or 'homemade' means grown or made by a person 21 8 years of age or older for noncommercial purposes.
- "(7) 'Household' means a housing unit[,] and [includes] any place in or around the housing unit at which the occupants of the housing unit are producing, processing, keeping[,] or storing homegrown marijuana or homemade marijuana products.
- "(8) 'Housing unit' means a house, an apartment[,] **or** a mobile home, **or**a group of rooms[,] or a single room that is occupied as separate living
 quarters, in which the occupants live and eat separately from any other
 persons in the building and [which have] **that has** direct access from the
 outside of the building or through a common hall.
- 18 "(9) 'Immature marijuana plant' means a marijuana plant with no ob-19 servable flowers or buds.
- "(10) 'Licensee' means any person holding a license issued under sections 3 to 70, chapter 1, Oregon Laws 2015 [this Act], or any person holding a license or permit issued under any [regulation promulgated] rule adopted under section 7 (2)(e), chapter 1, Oregon Laws 2015 [paragraph (e) of subsection (2) of section 7 of this Act].
- "(11) 'Licensee representative' means an owner, director, officer, manager, employee, agent[,] or other representative of a licensee, to the extent [such] **the** person acts in [such] **a** representative capacity.
- "(12)(a) 'Marijuana' means all parts of the plant Cannabis family Moraceae, whether growing or not, other than marijuana extracts.
- 30 "(b) 'Marijuana' does not include industrial hemp, as defined in ORS

- 571.300, or industrial hemp commodities or products.
- "(13) 'Marijuana extract' means a product obtained by separating resins
- 3 from marijuana by solvent extraction, using solvents other than vegetable
- 4 glycerin, such as butane, hexane, isopropyl alcohol, ethanol[,] and carbon
- 5 dioxide.
- 6 "(14)(a) 'Marijuana flowers' means the flowers of the plant Cannabis
- 7 family Moraceae.
- 8 "(b) 'Marijuana flowers' does not include any part of the plant other than
- 9 the flowers.
- "(15) 'Marijuana items' means marijuana, marijuana products[,] and
- 11 marijuana extracts.
- "(16)(a) 'Marijuana leaves' means the leaves of the plant Cannabis family
- 13 Moraceae.
- "(b) 'Marijuana leaves' does not include any part of the plant other than
- 15 the leaves.
- "(17) 'Marijuana processor' means a person who processes marijuana
- 17 items in this state.
- "(18) 'Marijuana producer' means a person who produces marijuana in
- 19 this state.
- 20 "(19)(a) 'Marijuana products' means products that contain marijuana or
- 21 marijuana extracts and are intended for human consumption.
- 22 "(b) 'Marijuana products' does not mean:
- 23 "(A) Marijuana, by itself; or
- "(B) A marijuana extract, by itself.
- 25 "(20) 'Marijuana retailer' means a person who sells marijuana items to a
- 26 consumer in this state.
- "(21) 'Marijuana wholesaler' means a person who purchases marijuana
- 28 items in this state for resale to a person other than a consumer in this state.
- "(22) 'Mature marijuana plant' means any marijuana plant that is not an
- 30 immature marijuana plant.

- "(23) 'Noncommercial' means not dependent or conditioned upon the provision or receipt of financial consideration.
- 3 "(24) 'Person' means any natural person, corporation, professional corpo-
- 4 ration, nonprofit corporation, cooperative corporation, profit or nonprofit
- 5 unincorporated association, business trust, limited liability company, general
- or limited partnership, joint venture[,] or any other legal entity.
- "(25) 'Premises' or 'licensed premises' means a location licensed under sections 3 to 70, **chapter 1**, **Oregon Laws 2015**, [of this Act] and includes:
- "(a) All enclosed areas at the location that are used in the business operated at the location, including offices, kitchens, rest rooms and storerooms,
- including all public and private areas;
- "(b) All areas outside [of] a building that the Oregon Liquor Control
 Commission has specifically licensed for the production, processing, whole-
- sale sale[,] or retail sale of marijuana items; and
- "(c) For a location that the commission has specifically licensed for the production of marijuana outside [of] a building, the entire lot or parcel, as defined in ORS 92.010, that the licensee owns, leases[,] or has a right to occupy.
- 19 "(26)(a) 'Processes' means:
- "(A) The processing, compounding[,] or conversion of marijuana into marijuana products or marijuana extracts; **or**
- "(B) The processing, compounding[,] or conversion of marijuana, either directly or indirectly by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis[;].
- "[(C) The packaging or repackaging of marijuana items; or]
- "[(D) The labeling or relabeling of any package or container of marijuana items.]
- "(b) 'Processes' does not include[:]
- "[(A)] the drying of marijuana by a marijuana producer, if the marijuana

- 1 producer is not otherwise processing marijuana; or
- 2 "[(B) The packaging and labeling of marijuana by a marijuana producer
- 3 in preparation for delivery to a marijuana processor.]
- 4 "(27)(a) 'Produces' means the manufacture, planting, cultivation,
- 5 growing[,] or harvesting of marijuana.
- 6 "(b) 'Produces' does not include:
- 7 "(A) The drying of marijuana by a marijuana processor, if the marijuana
- 8 processor is not otherwise producing marijuana; or
- 9 "(B) The cultivation and growing of an immature marijuana plant by a
- 10 marijuana processor, marijuana wholesaler[,] or marijuana retailer if the
- marijuana processor, marijuana wholesaler[,] or marijuana retailer purchased
- or otherwise received the plant from a licensed marijuana producer.
- "(28) 'Public place' means a place to which the general public has access
- 14 and includes, but is not limited to, hallways, lobbies and other parts of
- apartment houses and hotels not constituting rooms or apartments designed
- 16 for actual residence, and highways, streets, schools, places of amusement,
- 17 parks, playgrounds and [premises] areas used in connection with public
- 18 passenger transportation.
- "(29) 'Usable marijuana' means dried marijuana flowers and dried
- 20 marijuana leaves, and any mixture or preparation [thereof] of the flowers
- or leaves.
- 22 "SECTION 12. The rules of the Oregon Health Authority adopted
- 23 under ORS 475.314 (8) before the effective date of this 2015 Act continue
- 24 in effect until superseded or repealed by rules of the Oregon Liquor
- 25 Control Commission adopted under section 4 of this 2015 Act.".