

**Enrolled**  
**Senate Bill 1511**

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Joint Interim Committee on Marijuana Legalization)

CHAPTER .....

AN ACT

Relating to cannabis; creating new provisions; amending ORS 336.241, 475B.015, 475B.070, 475B.090, 475B.100, 475B.110, 475B.160, 475B.245, 475B.285, 475B.345, 475B.375, 475B.450, 475B.625, 475B.730 and 475B.750 and section 2, chapter 784, Oregon Laws 2015; repealing ORS 475B.080; and declaring an emergency.

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

**REGISTRATION FOR MEDICAL PURPOSES**  
**(Series Placement)**

**SECTION 1.** Sections 2 to 6 of this 2016 Act are added to and made a part of ORS 475B.010 to 475B.395.

**(Marijuana Producers)**

**SECTION 2.** (1) As used in this section, “designated primary caregiver,” “marijuana processing site,” “medical marijuana dispensary” and “registry identification cardholder” have the meanings given those terms in ORS 475B.410.

(2) To produce marijuana for medical purposes, a marijuana producer that holds a license under ORS 475B.070 must register with the Oregon Liquor Control Commission under this section.

(3) The commission shall register a marijuana producer for the purpose of producing marijuana for medical purposes if the marijuana producer:

- (a) Holds a license under ORS 475B.070;
- (b) Meets any qualifications adopted by the commission by rule;
- (c) Applies to the commission in a form and manner prescribed by the commission; and
- (d) Pays any fee adopted by the commission by rule.

(4)(a) A marijuana producer registered under this section may produce marijuana for a registry identification cardholder, and provide usable marijuana to the registry identification cardholder or to the designated primary caregiver of the registry identification cardholder, if the marijuana producer enters into an agreement with the registry identification cardholder for whom the marijuana producer is producing the marijuana. An agreement entered into under this subsection:

(A) Must be submitted to the commission in a manner prescribed by the commission;  
(B) Except as provided in subparagraph (C) of this paragraph, may not allow the marijuana producer to be compensated for producing the marijuana or providing the usable marijuana;

(C) May require a registry identification cardholder, or a designated primary caregiver on behalf of a registry identification cardholder, to reimburse a marijuana producer for all costs associated with producing marijuana for the registry identification cardholder or providing usable marijuana to the registry identification cardholder or designated primary caregiver;

(D) May not allow the marijuana producer to produce for the registry identification cardholder an amount of mature marijuana plants that exceeds the amount that a registry identification cardholder and a designated primary caregiver may jointly possess under ORS 475B.428;

(E) May not allow the marijuana producer to provide to the registry identification cardholder an amount of usable marijuana that exceeds the amount that a registry identification cardholder and a designated primary caregiver may jointly possess under ORS 475B.430; and

(F) May allow the marijuana producer to keep a portion of the usable marijuana harvested from the marijuana produced for the registry identification cardholder for the purposes of:

(i) Providing usable marijuana to additional registry identification cardholders or designated primary caregivers; and

(ii) Transferring or selling usable marijuana to marijuana processing sites or medical marijuana dispensaries.

(c) Marijuana produced for a registry identification cardholder, and usable marijuana transferred or sold to a marijuana processing site or medical marijuana dispensary, pursuant to an agreement entered into under this subsection must be tracked by the system developed and maintained under ORS 475B.150.

(d)(A) Upon request by the commission, the Oregon Health Authority shall provide the commission, notwithstanding any laws relating to the confidentiality of information under ORS 475B.460 and 475B.462, with the registration information of:

(i) A registry identification cardholder who enters into an agreement under this subsection; or

(ii) A registry identification cardholder, designated primary caregiver, marijuana processing site or medical marijuana dispensary that receives usable marijuana pursuant to an agreement entered into under this subsection.

(B) Registration information received by the commission under this paragraph that is confidential and not subject to public disclosure under ORS 475B.460 and 475B.462 remains confidential and not subject to public disclosure after being provided to the commission.

(e) Marijuana produced pursuant to an agreement entered into under this subsection is not subject to rules restricting the size of mature marijuana plant grow canopies adopted by the commission under ORS 475B.075.

(5)(a) The commission shall adopt rules necessary to administer this section, including rules:

(A) For the equitable conversion of a number of mature marijuana plants to a size of mature marijuana plant grow canopy;

(B) Limiting the amount of marijuana that may be produced under section (4) of this section;

(C) Limiting the amount of usable marijuana that may be provided, transferred or sold under subsection (4)(a)(F) of this section;

(D) Limiting the number of registry identification cardholders for whom a marijuana producer registered under this section may produce marijuana; and

(E) Prohibiting a registry identification cardholder from entering into more than one agreement with a marijuana producer registered under this section.

(b) The rules must provide that any fee adopted by the commission under subsection (3)(d) of this section be in an amount reasonably calculated to not exceed, together with other fees collected under ORS 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395.

(Marijuana Processors)

**SECTION 3.** (1) To process marijuana for medical purposes, a marijuana processor that holds a license under ORS 475B.090 must register with the Oregon Liquor Control Commission under this section.

(2) The commission shall register a marijuana processor for the purpose of processing marijuana for medical purposes if the marijuana processor:

- (a) Holds a license under ORS 475B.090;
- (b) Meets any qualifications adopted by the commission by rule;
- (c) Applies to the commission in a form and manner prescribed by the commission; and
- (d) Pays any fee adopted by the commission by rule.

(3) A marijuana processor registered under this section may process marijuana and usable marijuana into medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts.

(4) The commission shall adopt rules necessary to administer this section. The rules must provide that any fee adopted by the commission under subsection (2)(d) of this section be in an amount reasonably calculated to not exceed, together with other fees collected under ORS 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395.

(Marijuana Wholesalers)

**SECTION 4.** (1) To sell marijuana at wholesale for medical purposes, a marijuana wholesaler that holds a license under ORS 475B.100 must register with the Oregon Liquor Control Commission under this section.

(2) The commission shall register a marijuana wholesaler for the purpose of selling marijuana at wholesale for medical purposes if the marijuana wholesaler:

- (a) Holds a license under ORS 475B.100;
- (b) Meets any qualifications adopted by the commission by rule;
- (c) Applies to the commission in a form and manner prescribed by the commission; and
- (d) Pays any fee adopted by the commission by rule.

(3) A marijuana wholesaler registered under this section may sell medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts at wholesale.

(4) The commission shall adopt rules necessary to administer this section. The rules must provide that any fee adopted by the commission under subsection (2)(d) of this section be in an amount reasonably calculated to not exceed, together with other fees collected under ORS 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395.

(Marijuana Retailers)

**SECTION 5.** (1) As used in this section, “designated primary caregiver” and “registry identification cardholder” have the meanings given those terms in ORS 475B.410.

(2) To sell marijuana at retail for medical purposes, a marijuana retailer that holds a license under ORS 475B.110 must register with the Oregon Liquor Control Commission under this section.

(3) The commission shall register a marijuana retailer for the purpose of selling marijuana at retail for medical purposes if the marijuana retailer:

- (a) Holds a license under ORS 475B.110;
- (b) Meets any qualifications adopted by the commission by rule;
- (c) Applies to the commission in a form and manner prescribed by the commission; and
- (d) Pays any fee adopted by the commission by rule.

(4) A marijuana retailer registered under this section:

(a) May sell medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts to registry identification cardholders and designated primary caregivers;

(b) May not sell medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts to individuals other than registry identification cardholders and designated primary caregivers;

(c) May sell usable marijuana and medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts to registry identification cardholders and designated primary caregivers at a discounted price; and

(d) May provide usable marijuana and medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts to registry identification cardholders and designated primary caregivers free of charge.

(5) The commission shall adopt rules necessary to administer this section. The rules must provide that any fee adopted by the commission under subsection (3)(d) of this section be in an amount reasonably calculated to not exceed, together with other fees collected under ORS 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395.

**SECTION 6.** Notwithstanding the provisions of ORS 475B.400 to 475B.525, rules adopted by the Oregon Health Authority under ORS 475B.400 to 475B.525 must allow for the provision, transfer and sale of usable marijuana as described in section 2 of this 2016 Act.

**(General Rulemaking Authority)**

**SECTION 7.** ORS 475B.070 is amended to read:

475B.070. (1) The production of marijuana is subject to regulation by the Oregon Liquor Control Commission.

(2) A marijuana producer must have a production license issued by the commission for the premises at which the marijuana is produced. To hold a production license under this section, a marijuana producer:

(a) Must apply for a license in the manner described in ORS 475B.040;

(b) Must, until January 1, 2020, provide proof that an applicant listed on an application submitted under ORS 475B.040 has been a resident of this state for two or more years, and must provide proof that the applicant is 21 years of age or older; and

(c) Must meet the requirements of any rule adopted by the commission under subsection (3) of this section.

(3) The commission shall adopt rules that:

(a) Require a marijuana producer to annually renew a license issued under this section;

(b) Establish application, licensure and renewal of licensure fees for marijuana producers;

(c) Require marijuana produced by marijuana producers to be tested in accordance with ORS 475B.555;

(d) Allow a marijuana producer registered under section 2 of this 2016 Act to produce marijuana for medical purposes in the same manner that rules adopted under ORS 475B.010 to 475B.395 allow a marijuana producer to produce marijuana for nonmedical purposes, excepting those circumstances where differentiating between the production of marijuana for medical purposes and the production of marijuana for nonmedical purposes is necessary to protect the public health and safety;

[(d)] (e) Require marijuana producers to submit, at the time of applying for or renewing a license under ORS 475B.040, a report describing the applicant's or licensee's electrical or water usage; and

[(e)(A)] (f)(A) Require a marijuana producer to meet any public health and safety standards and industry best practices established by the commission by rule related to:

(i) The production of marijuana; or

(ii) The propagation of immature marijuana plants and the seeds of the plant Cannabis family Cannabaceae.

(B) For purposes of establishing rules under subparagraph (A)(ii) of this paragraph, the commission may not limit:

(i) The number of immature marijuana plants that may be possessed by a marijuana producer licensed under this section;

(ii) The size of the grow canopy a marijuana producer licensed under this section uses to grow immature marijuana plants; or

(iii) The weight or size of shipments of immature marijuana plants made by a marijuana producer licensed under this section.

(4) Fees adopted under subsection (3)(b) of this section:

(a) May not exceed the cost of administering ORS 475B.010 to 475B.395 with respect to marijuana producers;

(b) Shall be in the form of a schedule that imposes a greater fee for premises with more square footage or on which more mature marijuana plants are grown; and

(c) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.240.

**SECTION 8.** ORS 475B.090 is amended to read:

475B.090. (1) The processing of marijuana items is subject to regulation by the Oregon Liquor Control Commission.

(2) A marijuana processor must have a processor license issued by the commission for the premises at which marijuana items are processed. To hold a processor license under this section, a marijuana processor:

(a) Must apply for a license in the manner described in ORS 475B.040;

(b) Must, until January 1, 2020, provide proof that an applicant listed on an application submitted under ORS 475B.040 has been a resident of this state for two or more years, and must provide proof that the applicant is 21 years of age or older;

(c) If the marijuana processor processes marijuana extracts, may not be located in an area zoned exclusively for residential use; and

(d) Must meet the requirements of any rule adopted by the commission under subsection (3) of this section.

(3) The commission shall adopt rules that:

(a) Require a marijuana processor to annually renew a license issued under this section;

(b) Establish application, licensure and renewal of licensure fees for marijuana processors;

(c) Require marijuana processed by a marijuana processor to be tested in accordance with ORS 475B.555; [and]

**(d) Allow a marijuana processor registered under section 3 of this 2016 Act to process marijuana and usable marijuana into medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts in the same manner that rules adopted under ORS 475B.010 to 475B.395 allow a marijuana processor to process marijuana and usable marijuana into general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts, excepting those circumstances where differentiating between the processing of medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts and the processing of general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts is necessary to protect the public health and safety; and**

[(d)] (e) Require a marijuana processor to meet any public health and safety standards and industry best practices established by the commission by rule related to:

- (A) Cannabinoid edibles;
- (B) Cannabinoid concentrates;
- (C) Cannabinoid extracts; and
- (D) Any other type of cannabinoid product identified by the commission by rule.

(4) Fees adopted under subsection (3)(b) of this section:

(a) May not exceed the cost of administering ORS 475B.010 to 475B.395 with respect to marijuana processors; and

(b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.240.

**SECTION 9.** ORS 475B.100 is amended to read:

475B.100. (1) The wholesale sale of marijuana items is subject to regulation by the Oregon Liquor Control Commission.

(2) A marijuana wholesaler must have a wholesale license issued by the commission for the premises at which marijuana items are received, stored or delivered. To hold a wholesale license under this section, a marijuana wholesaler:

(a) Must apply for a license in the manner described in ORS 475B.040;

(b) Must, until January 1, 2020, provide proof that an applicant listed on an application submitted under ORS 475B.040 has been a resident of this state for two or more years, and must provide proof that the applicant is 21 years of age or older;

(c) May not be located in an area that is zoned exclusively for residential use; and

(d) Must meet the requirements of any rule adopted by the commission under subsection (3) of this section.

(3) The commission shall adopt rules that:

(a) Require a marijuana wholesaler to annually renew a license issued under this section;

(b) Establish application, licensure and renewal of licensure fees for marijuana wholesalers;

(c) Require marijuana items received, stored or delivered by a marijuana wholesaler to be tested in accordance with ORS 475B.555; [and]

**(d) Allow a marijuana wholesaler registered under section 4 of this 2016 Act to sell medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts at wholesale in the same manner that rules adopted under ORS 475B.010 to 475B.395 allow a marijuana wholesaler to sell general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts at wholesale, excepting those circumstances where differentiating between the sale of medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts and the sale of general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts is necessary to protect the public health and safety; and**

[(d)] (e) Require a marijuana wholesaler to meet any public health and safety standards and industry best practices established by the commission by rule.

(4) Fees adopted under subsection (3)(b) of this section:

(a) May not exceed the cost of administering ORS 475B.010 to 475B.395 with respect to marijuana wholesalers; and

(b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.240.

**SECTION 10.** ORS 475B.110 is amended to read:

475B.110. (1) The retail sale of marijuana items is subject to regulation by the Oregon Liquor Control Commission.

(2) A marijuana retailer must have a retail license issued by the commission for the premises at which marijuana items are sold. To hold a retail license under this section, a marijuana retailer:

(a) Must apply for a license in the manner described in ORS 475B.040;

(b) Must, until January 1, 2020, provide proof that an applicant listed on an application submitted under ORS 475B.040 has been a resident of this state for two or more years, and must provide proof that the applicant is 21 years of age or older;

(c) May not be located in an area that is zoned exclusively for residential use;

(d) **Except as provided in section 29b of this 2016 Act**, may not be located within 1,000 feet of:

(A) A public elementary or secondary school for which attendance is compulsory under ORS 339.020; or

(B) A private or parochial elementary or secondary school, teaching children as described in ORS 339.030 (1)(a); and

(e) Must meet the requirements of any rule adopted by the commission under subsection (3) of this section.

(3) The commission shall adopt rules that:

(a) Require a marijuana retailer to annually renew a license issued under this section;

(b) Establish application, licensure and renewal of licensure fees for marijuana retailers;

(c) Require marijuana items sold by a marijuana retailer to be tested in accordance with ORS 475B.555; [and]

**(d) Subject to the limitations and privileges described in section 5 (4) of this 2016 Act, allow a marijuana retailer registered under section 5 of this 2016 Act to sell medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts at retail in the same manner that rules adopted under ORS 475B.010 to 475B.395 allow a marijuana retailer to sell general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts at retail, excepting those circumstances where differentiating between the sale of medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts and the sale of general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts is necessary to protect the public health and safety; and**

[(d)] (e) Require a marijuana retailer to meet any public health and safety standards and industry best practices established by the commission by rule.

(4) Fees adopted under subsection (3)(b) of this section:

(a) May not exceed the cost of administering ORS 475B.010 to 475B.395 with respect to marijuana retailers; and

(b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.240.

#### (Conforming Amendments)

**SECTION 11.** ORS 475B.015 is amended to read:

475B.015. As used in ORS 475B.010 to 475B.395:

[(1) “Consumer” means a person who purchases, acquires, owns, holds or uses marijuana items other than for the purpose of resale.]

[(2)] (1) “Cannabinoid” means any of the chemical compounds that are the active constituents of marijuana.

[(3)] (2) “Cannabinoid concentrate” means a substance obtained by separating cannabinoids from marijuana by:

(a) A mechanical extraction process;

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

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

(d) Any other process identified by the Oregon Liquor Control Commission, in consultation with the Oregon Health Authority, by rule.

[4] (3) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or flowers have been incorporated.

[5] (4) “Cannabinoid extract” means a substance obtained by separating cannabinoids from marijuana by:

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

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

(c) Any other process identified by the commission, in consultation with the authority, by rule.

[6](a) (5)(a) “Cannabinoid product” means a cannabinoid edible and any other product intended for human consumption or use, including a product intended to be applied to the skin or hair, that contains cannabinoids or dried marijuana leaves or flowers.

(b) “Cannabinoid product” does not include:

(A) Usable marijuana by itself;

(B) A cannabinoid concentrate by itself;

(C) A cannabinoid extract by itself; or

(D) Industrial hemp, as defined in ORS 571.300.

(6) “Consumer” means a person who purchases, acquires, owns, holds or uses marijuana items other than for the purpose of resale.

(7)(a) “Financial consideration” means value that is given or received either directly or indirectly through sales, barter, trade, fees, charges, dues, contributions or donations.

(b) “Financial consideration” does not include:

(A) Homegrown marijuana that is given or received when nothing is given or received in return; or

(B) Homemade cannabinoid products or cannabinoid concentrates that are given or received when nothing is given or received in return.

(8) “Homegrown” or “homemade” means grown or made by a person 21 years of age or older for noncommercial purposes.

(9) “Household” means a housing unit and any place in or around a housing unit at which the occupants of the housing unit are producing, processing, or storing homegrown marijuana or homemade cannabinoid products or cannabinoid concentrates.

(10) “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 that has direct access from the outside of the building or through a common hall.

(11) “Immature marijuana plant” means a marijuana plant that is not flowering.

(12) “Licensee” means a person who holds a license issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110.

(13) “Licensee representative” means an owner, director, officer, manager, employee, agent or other representative of a licensee, to the extent that the person acts in a representative capacity.

(14)(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.

(b) “Marijuana” does not include industrial hemp, as defined in ORS 571.300.

(15) “Marijuana flowers” means the flowers of the plant genus Cannabis within the plant family Cannabaceae.

(16) “Marijuana items” means marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts.

(17) “Marijuana leaves” means the leaves of the plant genus Cannabis within the plant family Cannabaceae.

(18) “Marijuana processor” means a person who processes marijuana items in this state.

(19) “Marijuana producer” means a person who produces marijuana in this state.

(20) “Marijuana retailer” means a person who sells marijuana items to a consumer in this state.



(21) “Marijuana wholesaler” means a person who purchases marijuana items in this state for resale to a person other than a consumer.

(22) “Mature marijuana plant” means a marijuana plant that is not an immature marijuana plant.

**(23) “Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid extract” means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a concentration of tetrahydrocannabinol that is permitted under ORS 475B.625 in a single serving of the cannabinoid product, cannabinoid concentrate or cannabinoid extract for consumers who hold a valid registry identification card issued under ORS 475B.415.**

**(24) “Medical purpose” means a purpose related to using usable marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid extracts to mitigate the symptoms or effects of a debilitating medical condition, as defined in ORS 475B.410.**

[(23)] **(25) “Noncommercial” means not dependent or conditioned upon the provision or receipt of financial consideration.**

[(24)(a)] **(26)(a) “Premises” or “licensed premises” includes the following areas of a location licensed under ORS 475B.070, 475B.090, 475B.100 or 475B.110:**

(A) All public and private enclosed areas at the location that are used in the business operated at the location, including offices, kitchens, rest rooms and storerooms;

(B) All areas outside a building that the commission has specifically licensed for the production, processing, wholesale sale or retail sale of marijuana items; and

(C) For a location that the commission has specifically licensed for the production of marijuana outside a building, the entire lot or parcel, as defined in ORS 92.010, that the licensee owns, leases or has a right to occupy.

(b) “Premises” or “licensed premises” does not include a primary residence.

[(25)(a)] **(27)(a) “Processes” means the processing, compounding or conversion of marijuana into cannabinoid products, cannabinoid concentrates or cannabinoid extracts.**

(b) “Processes” does not include packaging or labeling.

[(26)(a)] **(28)(a) “Produces” means the manufacture, planting, cultivation, growing or harvesting of marijuana.**

(b) “Produces” does not include:

(A) The drying of marijuana by a marijuana processor, if the marijuana processor is not otherwise producing marijuana; or

(B) The cultivation and growing of an immature marijuana plant by a 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.

[(27)] **(29) “Propagate” means to grow immature marijuana plants or to breed or produce the seeds of the plant Cannabis family Cannabaceae.**

[(28)] **(30) “Public place” means a place to which the general public has access and includes, but is not limited to, hallways, lobbies and other parts of apartment houses and hotels not constituting rooms or apartments designed for actual residence, and highways, streets, schools, places of amusement, parks, playgrounds and areas used in connection with public passenger transportation.**

[(29)(a)] **(31)(a) “Usable marijuana” means the dried leaves and flowers of marijuana.**

(b) “Usable marijuana” does not include:

(A) The seeds, stalks and roots of marijuana; or

(B) Waste material that is a by-product of producing or processing marijuana.

**SECTION 12.** ORS 475B.160 is amended to read:

475B.160. (1) **Except as provided in section 2 of this 2016 Act,** a marijuana producer, marijuana processor or marijuana wholesaler may deliver marijuana items only to or on a [licensed] premises.

(2) A [licensed] premises may receive marijuana items only from a marijuana producer, marijuana processor or marijuana wholesaler for whom a premises has been licensed by the Oregon Liquor Control Commission.

(3) The sale of marijuana items by a marijuana retailer that holds a license issued under ORS 475B.110 must be restricted to the premises described in the license, but deliveries may be made by the marijuana retailer to consumers pursuant to a bona fide order received at the [*licensed*] premises prior to delivery.

**SECTION 13.** ORS 475B.245 is amended to read:

475B.245. ORS 475B.025, **475B.030**, 475B.033, 475B.035, 475B.040, 475B.045, **475B.050**, 475B.055, 475B.060, **475B.063**, 475B.065, 475B.068, 475B.070, **475B.075**, 475B.090, 475B.100, 475B.110, **475B.115**, **475B.125**, 475B.130, **475B.135**, **475B.140**, **475B.145**, **475B.150**, 475B.160, 475B.165, 475B.170, **475B.180**, **475B.190**, **475B.195**, **475B.200**, **475B.205**, 475B.210, **475B.215**, **475B.218**, **475B.230**, **475B.233**, **475B.235**, **475B.240**, [475B.265,] 475B.325, 475B.330, 475B.335, **475B.340**, **475B.345**, 475B.350, 475B.353, 475B.355, 475B.358, **475B.360**, **475B.365**, **475B.370**, [and] 475B.380 **and 475B.373 and sections 2, 3, 4 and 5 of this 2016 Act** do not apply:

(1) To the production, processing or storage of homegrown marijuana at a household by one or more persons 21 years of age and older, if the total amount of homegrown marijuana at the household does not exceed four marijuana plants and eight ounces of usable marijuana at any time.

(2) To the making, processing or storage of homemade cannabinoid products at a household by one or more persons 21 years of age and older, if the total amount of homemade cannabinoid products at the household does not exceed 16 ounces in solid form at any time.

(3) To the making, processing or storage of homemade cannabinoid products at a household by one or more persons 21 years of age and older, if the total amount of homemade cannabinoid products at the household does not exceed 72 ounces in liquid form at any time.

(4) To the making, processing or storage of homemade cannabinoid concentrates at a household by one or more persons 21 years of age or older, if the total amount of homemade cannabinoid concentrates at the household does not exceed 16 ounces at any time.

(5) To the delivery of not more than one ounce of homegrown marijuana at a time by a person 21 years of age or older to another person 21 years of age or older for noncommercial purposes.

(6) To the delivery of not more than 16 ounces of homemade cannabinoid products in solid form at a time by a person 21 years of age or older to another person 21 years of age or older for non-commercial purposes.

(7) To the delivery of not more than 72 ounces of homemade cannabinoid products in liquid form at a time by a person 21 years of age or older to another person 21 years of age or older for non-commercial purposes.

(8) To the delivery of not more than 16 ounces of cannabinoid concentrates at a time by a person 21 years of age or older to another person 21 years of age or older for noncommercial purposes.

**SECTION 14.** ORS 475B.375 is amended to read:

475B.375. ORS 475B.025, 475B.033, 475B.035, 475B.040, 475B.045, 475B.055, 475B.060, 475B.065, 475B.068, 475B.070, 475B.090, 475B.100, 475B.110, 475B.130, 475B.160, 475B.165, 475B.170, 475B.180, 475B.185, 475B.190, 475B.195, 475B.200, 475B.205, 475B.210, 475B.250, 475B.255, 475B.260, 475B.265, 475B.270, 475B.275, 475B.280, 475B.298, 475B.300, 475B.305, 475B.310, 475B.315, 475B.320, 475B.325, 475B.330, 475B.335, 475B.340, 475B.350, 475B.353, 475B.355, 475B.358, 475B.365, 475B.378, 475B.380 and 475B.395[:] **and section 2 of this 2016 Act:**

(1) Do not apply to the extent a person acts within the scope of and in compliance with the Oregon Medical Marijuana Act; and

(2) Do not amend or affect duties, functions and powers of the Oregon Health Authority under the Oregon Medical Marijuana Act.

**SECTION 15.** ORS 475B.625 is amended to read:

475B.625. (1) The Oregon Health Authority shall adopt rules establishing:

(a) The maximum concentration of tetrahydrocannabinol that is permitted in a single serving of a cannabinoid product or cannabinoid concentrate or extract; and

(b) The number of servings that are permitted in a cannabinoid product or cannabinoid concentrate or extract package.

(2)(a) In adopting rules under subsection (1)(a) of this section, the authority shall prescribe the different levels of concentration of tetrahydrocannabinol that is permitted in a single serving of a cannabinoid product or cannabinoid concentrate or extract for:

(A) Consumers who hold a valid registry identification card issued under ORS 475B.415; and

(B) Consumers who do not hold a valid registry identification card issued under ORS 475B.415.

(b) In prescribing the levels of concentration of tetrahydrocannabinol that is permitted in a single serving of a cannabinoid product or cannabinoid concentrate or extract for consumers who hold a valid registry identification card issued under ORS 475B.415, the authority shall consider the appropriate level of concentration necessary to mitigate the symptoms or effects of a debilitating medical condition, as defined in ORS 475B.410.

[2] (3) In adopting rules under ORS 475B.400 to 475B.525, the authority shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical marijuana dispensary registered under ORS 475B.450 to meet the concentration standards **and packaging standards** adopted by rule pursuant to [subsection (1) of] this section.

[3] (4) In adopting rules under ORS 475B.010 to 475B.395, the Oregon Liquor Control Commission shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or transferred by a marijuana retailer that holds a license under ORS 475B.110 to meet the concentration standards **and packaging standards** adopted by rule pursuant to [subsection (1) of] this section.

## TAX RELIEF FOR REGISTRY IDENTIFICATION CARDHOLDERS

**SECTION 16.** Section 17 of this 2016 Act is added to and made a part of ORS 475B.700 to 475B.760.

**SECTION 17.** (1) As used in this section, “designated primary caregiver,” “registry identification card” and “registry identification cardholder” have the meanings given those terms in ORS 475B.410.

(2) Notwithstanding ORS 475B.705:

(a) A tax is not imposed upon the retail sale of marijuana items in this state to a registry identification cardholder or to a designated primary caregiver who is purchasing a marijuana item for a registry identification cardholder; and

(b) A marijuana retailer may not collect the tax imposed under ORS 475B.705 from a consumer if, at the time at which the retail sale of the marijuana item occurs, the consumer provides proof to the marijuana retailer that the consumer:

(A) Holds a valid registry identification card under ORS 475B.415; or

(B) Holds a valid identification card under ORS 475B.415 (5)(b) and is purchasing the marijuana item for a registry identification cardholder.

(3) The Department of Revenue:

(a) Shall adopt rules establishing procedures by which a marijuana retailer shall document that a consumer holds a valid registry identification card issued under ORS 475B.415 or a valid identification card issued under ORS 475B.415 (5)(b); and

(b) May adopt rules establishing procedures by which the department may verify that a marijuana retailer collects the tax imposed under ORS 475B.705 from consumers of marijuana items who are not registry identification cardholders or designated primary caregivers.

**SECTION 18.** ORS 475B.345 is amended to read:

475B.345. (1) As used in this section, “designated primary caregiver” and “registry identification cardholder” have the meanings given those terms in ORS 475B.410.

[(1)(a)] **(2)(a)** Except as expressly authorized by this section, the authority to impose a tax or fee on the production, processing or sale of marijuana items in this state is vested solely in the Legislative Assembly.

(b) Except as expressly authorized by this section, a county, city or other municipal corporation or district may not adopt or enact ordinances imposing a tax or fee on the production, processing or sale of marijuana items in this state.

[(2)] **(3)** Subject to subsection [(4)] **(5)** of this section, the governing body of a city or county may adopt an ordinance to be referred to the electors of the city or county as described in subsection [(3)] **(4)** of this section that imposes a tax or a fee on the sale of marijuana items that are sold in the area subject to the jurisdiction of the city or the unincorporated area subject to the jurisdiction of a county by a person that holds a license under ORS 475B.110.

[(3)] **(4)** If the governing body of a city or county adopts an ordinance under this section, the governing body shall refer the measure of the ordinance to the electors of the city or county for approval at the next statewide general election.

[(4)] **(5)** An ordinance adopted under this section may not impose a tax or fee:

**(a)** In excess of three percent[.]; **or**

**(b) On a registry identification cardholder or on a designated primary caregiver who is purchasing a marijuana item for a registry identification cardholder.**

**SECTION 19.** ORS 475B.730 is amended to read:

475B.730. (1) Notwithstanding the confidentiality provisions of ORS 475B.755, the Department of Revenue may disclose information received under ORS 317.363 and 475B.700 to 475B.760 to:

**(a)** The Oregon Liquor Control Commission to carry out the provisions of ORS 475B.010 to 475B.395 and 475B.700 to 475B.760[.]; **and**

**(b) The Oregon Health Authority to carry out the provisions of section 17 of this 2016 Act.**

(2) The commission may disclose information obtained pursuant to ORS 475B.010 to 475B.395 and 475B.700 to 475B.760 to the department for the purpose of carrying out the provisions of ORS 475B.010 to 475B.395 and 475B.700 to 475B.760.

**(3) The authority may disclose information obtained pursuant to ORS 475B.415 or 475B.418 to the department for the purpose of carrying out the provisions of section 17 of this 2016 Act, provided that the authority does not disclose personally identifiable information.**

**SECTION 20.** ORS 475B.750 is amended to read:

475B.750. (1) The Department of Revenue shall administer and enforce ORS 475B.700 to 475B.760. The department is authorized to establish rules and procedures for the implementation and enforcement of ORS 475B.700 to 475B.760 that are consistent with ORS 475B.700 to 475B.760 and that the department considers necessary and appropriate to administer and enforce ORS 475B.700 to 475B.760.

(2) The Oregon Liquor Control Commission shall enter into an agreement with the department for the purpose of administering and enforcing those provisions of ORS 475B.700 to 475B.760, and rules or procedures established for the purpose of implementing and enforcing ORS 475B.700 to 475B.760, that the commission and the department determine are necessary for the effective and efficient administration, implementation and enforcement of ORS 475B.700 to 475B.760.

**(3) The Oregon Health Authority shall enter into an agreement with the department for the purpose of administering and enforcing the provisions of section 17 of this 2016 Act, and rules or procedures established for the purpose of implementing and enforcing section 17 of this 2016 Act, that the authority and the department determine are necessary for the effective and efficient administration, implementation and enforcement of section 17 of this 2016 Act.**

## EARLY START

**SECTION 21.** Section 2, chapter 784, Oregon Laws 2015, is amended to read:

**Sec. 2.** (1) As used in this section:

(a) **“Cannabinoid edible” has the meaning given that term in ORS 475B.410.**

(b) **“Cannabinoid extract” has the meaning given that term in ORS 475B.410.**

[(a)] (c) “Limited marijuana retail product” means:

(A) The seeds of marijuana;

(B) The dried leaves and flowers of marijuana; [and]

(C) A marijuana plant that is not flowering[.];

**(D) Cannabinoid edibles;**

**(E) Nonpsychoactive medical cannabinoid products intended to be applied to a person’s skin or hair; and**

**(F) Prefilled receptacles of cannabinoid extracts.**

[(b)] (d) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

(e) **“Medical cannabinoid product” has the meaning given that term in ORS 475B.410.**

[(c)] (f) “Medical marijuana dispensary” means an entity registered with the Oregon Health Authority under ORS [475.314] **475B.450.**

(2) Notwithstanding any other provision of law, on and after October 1, 2015, a medical marijuana dispensary may sell limited marijuana retail product to a person who is 21 years of age or older if:

(a) The person presents proof of age to the medical marijuana dispensary before entering into the medical marijuana dispensary;

(b) The medical marijuana dispensary verifies that the person is 21 years of age or older at the time of the sale;

(c) The medical marijuana dispensary sells no more than one-quarter ounce of limited marijuana retail product to the person per day if the person is purchasing the dried leaves and flowers of marijuana; [and]

(d) The medical marijuana dispensary sells no more than four units of limited marijuana retail product to the person if the person is purchasing a marijuana plant that is not flowering[.];

**(e) The medical marijuana dispensary sells no more than one single-serving, low-dose unit of limited marijuana retail product to the person per day if the person is purchasing a cannabinoid edible; and**

**(f) The medical marijuana dispensary sells no more than one receptacle of limited marijuana retail product to the person per day if the person is purchasing a prefilled receptacle of a cannabinoid extract.**

(3) A city or county may adopt ordinances prohibiting the sale of limited marijuana retail product as described in this section in the area subject to the jurisdiction of the city or the unincorporated area subject to the jurisdiction of the county.

(4) The authority shall adopt rules **or issue orders** to implement this section, including rules **or orders** that:

**(a) Ensure that all limited marijuana retail product sold by a medical marijuana dispensary under this section is tested as prescribed by the authority;**

[(a)] (b) Are necessary to ensure the public health and safety; and

[(b)] (c) Ensure that a medical marijuana dispensary complies with this section.

(5) The authority may prohibit a medical marijuana dispensary from selling limited marijuana retail product as described in this section if the medical marijuana dispensary violates this section.

**STAY ON POSSESSION LIMITS FOR  
PERSONS APPLYING TO BE LICENSED BY  
THE OREGON LIQUOR CONTROL COMMISSION**

**SECTION 22.** (1) As used in this section:

- (a) "Marijuana" has the meaning given that term in ORS 475B.015.
- (b) "Marijuana grow site" has the meaning given that term in ORS 475B.410.
- (c) "Marijuana producer" has the meaning given that term in ORS 475B.015.
- (d) "Premises" has the meaning given that term in ORS 475B.015.
- (e) "Produce" has the meaning given that term in ORS 475B.015.
- (f) "Registry identification cardholder" has the meaning given that term in ORS 475B.410.

(2) For each person responsible for a marijuana grow site located at an address, the amount of mature marijuana plants produced at that address on the effective date of this 2016 Act may continue to be produced at the address, regardless of whether the amount of mature marijuana plants is in excess of the limits imposed under ORS 475B.428, if an applicant for licensure under ORS 475B.070 files notice under subsection (3) of this section and if:

(a) A completed application has been filed with the Oregon Liquor Control Commission under ORS 475B.040 on or before April 1, 2016, to produce marijuana on the premises that is located at the address, and the applicant has paid in full the application fee adopted by the commission under ORS 475B.070; or

(b) Under the circumstance that the commission discontinues licensing the premises of marijuana producers pursuant to ORS 475B.800 (4)(b), a completed application has been filed with the commission under ORS 475B.040 on or before April 1, 2016, to produce marijuana on the premises that is located at the address, except for the requirement that a land use compatibility statement be obtained as described in ORS 475B.063, and the applicant has paid in full the application fee adopted by the commission under ORS 475B.070.

(3) To continue to produce mature marijuana plants in excess of the limits imposed under ORS 475B.428 as described in subsection (2) of this section, an applicant must file with the Oregon Health Authority, in a form and manner prescribed by the authority, notice that contains the following information:

(a) The name and signature of each person responsible for a marijuana grow site located at the address, attesting that each person responsible for a marijuana grow site located at the address consents to the intent to hold a license under ORS 475B.070;

(b) The name of each registry identification cardholder for whom marijuana is produced at the address;

(c) Proof that the applicant has sent, by certified mail with return receipt requested to each registry identification cardholder for whom marijuana is produced at the address, notice:

(A) Of the registry identification cardholder's possessory rights under ORS 475B.420 (7); and

(B) That the registry identification cardholder's possessory rights under ORS 475B.420 (7) terminate on the date that the applicant receives a license under ORS 475B.070 to produce marijuana on the premises that is located at the address; and

(d) A statement that the applicant has filed a completed application with the commission under ORS 475B.040, as described in subsection (2)(a) or (b) of this section, to produce marijuana on the premises that is located at the address.

(4) On the date that an applicant receives a license under ORS 475B.070 to produce marijuana at an address, the possessory right to all seeds, immature marijuana plants, mature marijuana plants and usable marijuana in the applicant's possession transfer from each registry identification cardholder for whom marijuana is being produced at the address to the applicant, provided that the applicant provides just compensation to any registry identification cardholder who requests to be paid for the seeds, immature marijuana plants, mature marijuana plants and usable marijuana being transferred from the registry identification cardholder to the applicant. Provision of just compensation as required by this subsection can be part of an agreement entered into under section 2 (4) of this 2016 Act.

(5) Upon receiving notice under subsection (3) of this section, the authority shall:

- (a) Forward the notice to the commission; and
- (b) Suspend issuing marijuana grow site registration cards under ORS 475B.420 to any proposed marijuana grow site that would be located at the premises for which licensure is sought.

(6) Upon receiving a notice from the authority under subsection (5) of this section, the commission shall provide the authority with information verifying that the applicant has met the conditions set forth in subsection (2)(a) or (b) of this section.

(7) The commission and the authority shall enter into an agreement for the purpose of sharing information necessary to implement and administer this section. As part of the agreement, the authority shall provide to the commission, notwithstanding any laws relating to the confidentiality of information under ORS 475B.460 and 475B.462, the registration information of a person responsible for a marijuana grow site, or of a registry identification cardholder, whose name is submitted as part of the notice required by subsection (3) of this section. Information received by the commission under this subsection that is confidential and not subject to public disclosure under ORS 475B.460 and 475B.462 remains confidential and not subject to public disclosure after being provided to the commission.

**SECTION 23.** Notwithstanding the operative date specified in section 179, chapter 614, Oregon Laws 2015, a person is not subject to the limits imposed on mature marijuana plants under ORS 475B.428 (3) and (4):

- (1) Until April 1, 2016; or
- (2) If the person has filed a completed application with the Oregon Liquor Control Commission under ORS 475B.040 as described in section 22 (2)(a) and (b) of this 2016 Act.

**SECTION 24.** Sections 22 and 23 of this 2016 Act are repealed on January 1, 2017.

**STAY ON POSSESSION LIMITS FOR  
PERSONS NOT APPLYING TO BE LICENSED BY  
THE OREGON LIQUOR CONTROL COMMISSION**

**SECTION 25.** Section 26 of this 2016 Act is added to and made a part of ORS 475B.400 to 475B.525.

**SECTION 26.** (1) For the persons responsible for each marijuana grow site located at an address to continue to produce the number of mature marijuana plants described in ORS 475B.428 (3)(b) or (4)(b), each person responsible for a marijuana grow site located at the address shall send a notice to the Oregon Health Authority, in a form and manner prescribed by the authority, stating:

(a) That the person responsible for the marijuana grow site was first registered with the authority under ORS 475B.420 before January 1, 2015, to produce mature marijuana plants at that address; and

(b) The number of registry identification cardholders for whom the person responsible for the marijuana grow site was producing mature marijuana plants at that address on December 31, 2014.

(2) The authority may use any means necessary to verify information received by the authority under subsection (1) of this section.

(3) Notwithstanding the limits imposed on the production of mature marijuana plants in ORS 475B.428 (3), an amount of mature marijuana plants in excess of 12 mature marijuana plants, not to exceed 24 mature marijuana plants, may be produced at the address until the earlier of the following:

(a) The date on which the authority makes a determination that the address meets or does not meet the criteria for producing that amount of mature marijuana plants as set forth in subsection (5) of this section; or

(b) May 1, 2016.

(4) Notwithstanding the limits imposed on the production of mature marijuana plants in ORS 475B.428 (4), an amount of mature marijuana plants in excess of 48 mature marijuana plants, not to exceed 96 mature marijuana plants, may be produced at the address until the earlier of the following:

(a) The date on which the authority makes a determination that the address meets or does not meet the criteria for producing that amount of mature marijuana plants as set forth in subsection (5) of this section; or

(b) May 1, 2016.

(5) A person responsible for a marijuana grow site who was not first registered with the authority under ORS 475B.420 before January 1, 2015, and who was not registered at a marijuana grow site on December 31, 2014, may not be registered to produce mature marijuana plants in amounts set forth in ORS 475B.428 (3)(b) or (4)(b).

SECTION 27. Section 26 of this 2016 Act is repealed on January 1, 2017.

#### DISTANCE REQUIREMENTS

SECTION 28. Section 29 of this 2016 Act is added to and made a part of ORS 475B.400 to 475B.525.

SECTION 29. (1) Notwithstanding ORS 475B.450 (3)(d), a city or county may adopt an ordinance allowing a medical marijuana dispensary to be located within 500 feet of a public elementary or secondary school for which attendance is compulsory under ORS 339.020, or a private or parochial elementary or secondary school teaching children as described in ORS 339.030 (1)(a), if the county or city determines that a physical or geographic barrier capable of preventing children from traversing to the school separates the medical marijuana dispensary from the school.

(2) A city or county that adopts an ordinance under this section must inform the Oregon Health Authority, in a form and manner prescribed by the authority, of the content and effective date of the ordinance.

SECTION 29a. Section 29b of this 2016 Act is added to and made a part of ORS 475B.010 to 475B.395.

SECTION 29b. (1) Notwithstanding ORS 475B.110 (2)(d), a city or county may adopt an ordinance allowing a premises for which a license has been issued under ORS 475B.110 to be located within 500 feet of a public elementary or secondary school for which attendance is compulsory under ORS 339.020, or a private or parochial elementary or secondary school teaching children as described in ORS 339.030 (1)(a), if the county or city determines that a physical or geographic barrier capable of preventing children from traversing to the school separates the premises from the school.

(2) A city or county that adopts an ordinance under this section must inform the Oregon Liquor Control Commission, in a form and manner prescribed by the commission, of the content and effective date of the ordinance.

SECTION 30. ORS 475B.450 is amended to read:

475B.450. (1)(a) The Oregon Health Authority shall establish by rule a medical marijuana dispensary registration system for the purpose of tracking and regulating the transfer of:

(A) Usable marijuana, immature marijuana plants and seeds from registry identification cardholders, designated primary caregivers and persons responsible for marijuana grow sites to medical marijuana dispensaries;

(B) Medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts from persons responsible for marijuana processing sites to medical marijuana dispensaries; and

(C) Usable marijuana, immature marijuana plants, seeds, medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts from medical marijuana dispensaries to registry identification cardholders and designated primary caregivers.



(b) A person may not operate an establishment for the purpose of providing the services described in paragraph (a) of this subsection unless the person is registered under this section.

(2) The registration system established under subsection (1) of this section must require an applicant for a medical marijuana dispensary to submit an application to the authority that includes:

(a) The name of the individual who owns the medical marijuana dispensary or, if a business entity owns the medical marijuana dispensary, the name of each individual who has a financial interest in the medical marijuana dispensary;

(b) The name of the individual or individuals responsible for the medical marijuana dispensary, if different from the name of the individual who owns the medical marijuana dispensary;

(c) The address of the medical marijuana dispensary;

(d) Proof, until January 1, 2020, that each individual responsible for the medical marijuana dispensary has been a resident of this state for two or more years, and proof that each individual responsible for the medical marijuana dispensary is 21 years of age or older;

(e) Documentation, as required by the authority by rule, that demonstrates the medical marijuana dispensary meets the requirements of subsection (3) of this section; and

(f) Any other information that the authority considers necessary.

(3) To qualify for registration under this section, a medical marijuana dispensary:

(a) May not be located in an area that is zoned for residential use;

(b) May not be located at the same address as a marijuana grow site;

(c) Must be registered as a business, or have filed an application to register as a business, with the office of the Secretary of State;

(d) **Except as provided under section 29 of this 2016 Act**, may not be located within 1,000 feet of:

(A) A public elementary or secondary school for which attendance is compulsory under ORS 339.020; or

(B) A private or parochial elementary or secondary school, teaching children as described in ORS 339.030 (1)(a);

(e) Must not be located within 1,000 feet of another medical marijuana dispensary; and

(f) Must meet the requirements of any rule adopted by the authority under subsection (10) of this section.

(4)(a) The authority shall conduct a criminal records check under ORS 181A.195 for each individual named in an application submitted under subsection (2) of this section.

(b) An individual convicted for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may not own or be responsible for a medical marijuana dispensary for two years from the date the individual is convicted.

(c) An individual convicted more than once for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may not own or be responsible for a medical marijuana dispensary.

(5) If a person submits the application required under subsection (2) of this section, if the medical marijuana dispensary identified in the application meets the requirements of this section and any rules adopted under this section and if each individual named in the application passes the criminal records check required under subsection (4) of this section, the authority shall register the medical marijuana dispensary and issue proof of registration. Proof of registration must be displayed on the premises of the medical marijuana dispensary at all times.

(6) A medical marijuana dispensary that is registered under this section is not required to register with the State Board of Pharmacy under ORS 475.125.

(7) The individual or individuals responsible for a medical marijuana dispensary shall maintain documentation of each transfer of usable marijuana, medical cannabinoid products, cannabinoid concentrates, cannabinoid extracts, immature marijuana plants and seeds.

(8) The authority may inspect:

(a) The premises of a proposed medical marijuana dispensary or a registered medical marijuana dispensary to ensure compliance with this section and ORS 475B.453 and any rules adopted under this section or ORS 475B.453; and

(b) The records of a registered medical marijuana dispensary to ensure compliance with subsection (7) of this section.

(9) Subject to the provisions of ORS chapter 183, the authority may refuse to register an applicant under this section or may suspend or revoke the registration of a medical marijuana dispensary if the authority determines that the applicant, the owner of the medical marijuana dispensary, a person responsible for the medical marijuana dispensary, or an employee of the medical marijuana dispensary, violated a provision of ORS 475B.400 to 475B.525, a rule adopted under ORS 475B.400 to 475B.525 or an ordinance adopted pursuant to ORS 475B.500.

(10) The authority shall adopt rules to implement this section, including rules that:

(a) Require a registered medical marijuana dispensary to annually renew the registration for that dispensary;

(b) Establish fees for registering, and renewing the registration of, a medical marijuana dispensary;

(c) Require that each medical marijuana dispensary install and maintain a minimum security system that includes video surveillance, an alarm system and a safe;

(d) Require that usable marijuana, medical cannabinoid products, cannabinoid concentrates, cannabinoid extracts and immature marijuana plants transferred by a medical marijuana dispensary be tested to ensure the public health and safety; and

(e) Impose any other standard on the operation of a medical marijuana dispensary to ensure the public health and safety.

**SECTION 31. Section 29 of this 2016 Act and the amendments to ORS 475B.450 by section 30 of this 2016 Act become operative on March 1, 2016.**

## **MARIJUANA ABUSE PREVENTION**

**SECTION 32.** ORS 336.241 is amended to read:

336.241. (1) As part of the comprehensive alcohol and drug abuse policy and implementation plan described in ORS 336.222, the Oregon Health Authority, State Board of Education and Alcohol and Drug Policy Commission shall collaborate on developing **supplemental curricula** for marijuana abuse prevention [*curricula*] and public information programs for students, parents, teachers, administrators and school board members.

(2) In the manner provided by ORS 192.245, the authority shall report on the implementation of this section to the Legislative Assembly on or before February 1 of each odd-numbered year.

## **REPEAL OF AUTHORITY TO ISSUE MARIJUANA PRODUCTION LICENSES TO MARIJUANA GROW SITES**

**SECTION 33. ORS 475B.080 is repealed.**

**SECTION 34.** ORS 475B.285 is amended to read:

475B.285. (1) An Oregon Liquor Control Commission regulatory specialist has the authority as provided in ORS 133.005 to 133.400, 133.450, 133.525 to 133.703, 133.721 to 133.739, 161.235, 161.245 and 475B.010 to 475B.395, ORS chapter 153 and chapter 743, Oregon Laws 1971, to conduct inspections and investigations, make seizures, aid in prosecutions for offenses, issue citations for violations and otherwise enforce the provisions of ORS 475B.010 to 475B.395, any rule adopted under ORS 475B.010 to 475B.395 and any other law of this state that charges the commission with a duty, function or power related to marijuana, including enforcing any provision of a law or rule related to individuals who use false identification for purposes of purchasing or possessing a marijuana item or who engage in illegal activity on or near a [*licensed*] premises.

- (2) A commission regulatory specialist may not:
  - (a) Be sworn in as a federal law enforcement official and act in that capacity while performing duties under this section.
  - (b) Carry a firearm.
  - (c) Conduct inspections and investigations of a primary residence or for purposes of ensuring compliance with ORS 475B.245 and 475B.375.
  - (d) [Except as provided in ORS 475B.080,] Conduct inspections and investigations for purposes of ensuring compliance with ORS 475B.400 to 475B.525.

**UNIT CAPTIONS**

**SECTION 35.** The unit captions used in this 2016 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2016 Act.

**EMERGENCY CLAUSE**

**SECTION 36.** This 2016 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect on its passage.

**Passed by Senate February 23, 2016**

.....  
 Lori L. Brocker, Secretary of Senate  
 .....  
 Peter Courtney, President of Senate

**Passed by House February 26, 2016**

.....  
 Tina Kotek, Speaker of House

**Received by Governor:**

.....M,....., 2016

**Approved:**

.....M,....., 2016

.....  
 Kate Brown, Governor

**Filed in Office of Secretary of State:**

.....M,....., 2016

.....  
 Jeanne P. Atkins, Secretary of State