

A-Engrossed
Senate Bill 1598

Ordered by the Senate February 24
Including Senate Amendments dated February 24

Sponsored by Senator BURDICK, Representative LININGER; Senators BEYER, FERRIOLI, KRUSE, Representatives BUCKLEY, HELM, OLSON, WILSON

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.

Exempts certain applicants for license to produce marijuana **or applicants for certification to research marijuana** from requirement that land use compatibility statement be obtained.

Modifies certain laws related to county and city regulation of marijuana business entities.

Authorizes Oregon Liquor Control Commission and Oregon Health Authority to require fingerprints of certain applicants for purpose of requesting criminal records check.

Requires individual who performs work for or on behalf of person who holds license for possession, production, propagation, processing, securing or sale of marijuana to have worker permit.

Provides for medical marijuana dispensaries that are organized as nonprofit corporations certain terms for receipt and dispensing of marijuana and marijuana products. Requires Oregon Health Authority to adopt rules for implementation.

Makes changes to Oregon Medical Marijuana Act.

Provides for expungement of marijuana-related crimes if penalty for crime has been reduced to penalty for which crime may be expunged.

Repeals provisions regarding taxation in Senate Bill 1511 and House Bill 4014.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to cannabis; creating new provisions; amending ORS 475B.050, 475B.160, 475B.215, 475B.235,
3 475B.245, 475B.340, 475B.370, 475B.375, 475B.443, 475B.490 and 475B.500 and section 79, chapter
4 ___, Oregon Laws 2016 (Enrolled House Bill 4014); repealing sections 16, 17, 18, 26, 27, 28, 28a,
5 29 and 67, chapter ___, Oregon Laws 2016 (Enrolled House Bill 4014), and sections 16, 17, 18,
6 19 and 20, chapter ___, Oregon Laws 2016 (Enrolled Senate Bill 1511); and declaring an emer-
7 gency.

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

LAND USE LAWS

10
11
12 **SECTION 1. Section 2 of this 2016 Act is added to and made a part of ORS 475B.010 to**
13 **475B.395.**

14 **SECTION 2. The requirement under ORS 475B.063 to obtain a land use compatibility**
15 **statement as a condition of receiving a license under ORS 475B.070 does not apply to an ap-**
16 **plicant if:**

17 (1) **The applicant is applying for a license at an address where a marijuana grow site**
18 **registered under ORS 475B.420 is located;**

19 (2) **The address is outside of city limits;**

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 **(3) At least one person responsible for a marijuana grow site located at the address first**
2 **registered with the Oregon Health Authority under ORS 475B.420 before January 1, 2015;**

3 **(4) Each person responsible for a marijuana grow site located at the address first regis-**
4 **tered with the Oregon Health Authority under ORS 475B.420 before February 1, 2016; and**

5 **(5) The applicant is applying for a mature marijuana plant grow canopy of:**

6 **(a) 5,000 square feet or less, if the marijuana is produced outdoors; or**

7 **(b) 1,250 square feet or less, if the marijuana is produced indoors.**

8 **SECTION 3.** ORS 475B.370 is amended to read:

9 475B.370. (1) *[Notwithstanding any other provision of law,]* Marijuana is:

10 (a) A crop for the purposes of “farm use” as defined in ORS 215.203;

11 (b) A crop for purposes of a “farm” and “farming practice,” both as defined in ORS 30.930;

12 (c) A product of farm use as described in ORS 308A.062; and

13 (d) The product of an agricultural activity for purposes of ORS 568.909.

14 (2) Notwithstanding ORS chapters 195, 196, 197 *[and]*, 215 **and 227**, the following are not per-
15 mitted uses on land designated for exclusive farm use:

16 (a) A new dwelling used in conjunction with a marijuana crop;

17 (b) A farm stand, as described in ORS 215.213 (1)(r) or 215.283 (1)(o), used in conjunction with
18 a marijuana crop; and

19 (c) A commercial activity, as described in ORS 215.213 (2)(c) or 215.283 (2)(a), carried on in
20 conjunction with a marijuana crop.

21 (3) A county may allow the production of marijuana as a farm use on land zoned for farm or
22 forest use in the same manner as the production of marijuana is allowed in exclusive farm use zones
23 under this section and ORS 215.213, 215.283 and 475B.063.

24 **(4) This section applies to:**

25 **(a) Marijuana producers licensed under ORS 475B.070;**

26 **(b) Persons registered under ORS 475B.420 and designated to produce marijuana by one**
27 **or more persons who hold valid registry identification cards issued under ORS 475B.415; and**

28 **(c) For the purpose of producing marijuana or propagating immature marijuana plants,**
29 **persons who hold certificates under ORS 475B.235.**

30 **SECTION 4.** ORS 475B.340 is amended to read:

31 475B.340. (1) For purposes of this section, “reasonable regulations” includes:

32 (a) Reasonable conditions on the manner in which a marijuana producer licensed under ORS
33 475B.070 may produce marijuana **or in which a person who holds a certificate issued under ORS**
34 **475B.235 may produce marijuana or propagate immature marijuana plants;**

35 (b) Reasonable conditions on the manner in which a marijuana processor licensed under ORS
36 475B.090 may process marijuana **or in which a person who holds a certificate issued under ORS**
37 **475B.235 may process marijuana;**

38 (c) Reasonable conditions on the manner in which a marijuana wholesaler licensed under ORS
39 475B.100 may sell marijuana at wholesale;

40 (d) Reasonable limitations on the hours during which a marijuana retailer licensed under ORS
41 475B.110 may operate;

42 (e) Reasonable conditions on the manner in which a marijuana retailer licensed under ORS
43 475B.110 may sell marijuana items;

44 (f) Reasonable requirements related to the public’s access to a premises for which a license **or**
45 **certificate** has been issued under ORS 475B.070, 475B.090, 475B.100 *[or]*, 475B.110 **or 475B.235;** and

1 (g) Reasonable limitations on where a premises for which a license **or certificate** may be issued
2 under ORS 475B.070, 475B.090, 475B.100 [or], 475B.110 **or 475B.235** may be located.

3 (2) Notwithstanding ORS **30.935, 215.253 (1) or** 633.738, the governing body of a city or county
4 may adopt ordinances that impose reasonable regulations on the operation of businesses located at
5 premises for which a license has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110,
6 **or for which a certificate has been issued under ORS 475B.235**, if the premises are located in
7 the area subject to the jurisdiction of the city or county, except that the governing body of a city
8 or county may not:

9 (a) Adopt an ordinance that prohibits a premises for which a license has been issued under ORS
10 475B.110 from being located within a distance that is greater than 1,000 feet of another premises for
11 which a license has been issued under ORS 475B.110.

12 (b) **Adopt an ordinance after January 1, 2015, that imposes a setback requirement for an**
13 **agricultural building used to produce marijuana located on a premises for which a license**
14 **has been issued under ORS 475B.070 if the agricultural building:**

15 (A) **Was constructed on or before July 1, 2015, in compliance with all applicable land use**
16 **and building code requirements at the time of construction;**

17 (B) **Is located at an address where a marijuana grow site first registered with the Oregon**
18 **Health Authority under ORS 475B.420 on or before January 1, 2015;**

19 (C) **Was used to produce marijuana pursuant to the provisions of ORS 475B.400 to**
20 **475B.525 on or before January 1, 2015; and**

21 (D) **Has four opaque walls and a roof.**

22 [(3) *Regulations adopted under this section must be consistent with city and county comprehensive*
23 *plans and zoning ordinances and applicable provisions of public health and safety laws.*]

24 **SECTION 5.** ORS 475B.500 is amended to read:

25 475B.500. (1) For purposes of this section, “reasonable regulations” includes:

26 (a) Reasonable limitations on the hours during which the marijuana grow site of a person des-
27 ignated to produce marijuana by a registry identification cardholder, a marijuana processing site
28 or a medical marijuana dispensary may operate;

29 (b) Reasonable conditions on the manner in which **the marijuana grow site of a person des-**
30 **ignated to produce marijuana by a registry identification cardholder**, a marijuana processing
31 site or **a** medical marijuana dispensary may transfer usable marijuana, medical cannabinoid pro-
32 ducts, cannabinoid concentrates, cannabinoid extracts, immature marijuana plants and seeds;

33 (c) Reasonable requirements related to the public’s access to the marijuana grow site of a person
34 designated to produce marijuana by a registry identification cardholder, a marijuana processing site
35 or a medical marijuana dispensary; and

36 (d) Reasonable limitations on where the marijuana grow site of a person designated to produce
37 marijuana by a registry identification cardholder, a marijuana processing site or a medical
38 marijuana dispensary may be located.

39 (2) Notwithstanding ORS **30.935, 215.253 (1) or** 633.738, the governing body of a city or county
40 may adopt ordinances that impose reasonable regulations on the operation of marijuana grow sites
41 of persons designated to produce marijuana by registry identification cardholders, marijuana pro-
42 cessing sites and medical marijuana dispensaries that are located in the area subject to the juris-
43 diction of the city or county.

44 **SECTION 6.** ORS 475B.375 is amended to read:

45 475B.375. [ORS 475B.025, 475B.033, 475B.035, 475B.040, 475B.045, 475B.055, 475B.060, 475B.065,

1 475B.068, 475B.070, 475B.090, 475B.100, 475B.110, 475B.130, 475B.160, 475B.165, 475B.170, 475B.180,
2 475B.185, 475B.190, 475B.195, 475B.200, 475B.205, 475B.210, 475B.250, 475B.255, 475B.260, 475B.265,
3 475B.270, 475B.275, 475B.280, 475B.298, 475B.300, 475B.305, 475B.310, 475B.315, 475B.320, 475B.325,
4 475B.330, 475B.335, 475B.340, 475B.350, 475B.353, 475B.355, 475B.358, 475B.365, 475B.378, 475B.380
5 and 475B.395:] **Except for ORS 475B.370 and 475B.373, ORS 475B.010 to 475B.395:**

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

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

10
11 **FINGERPRINTING**

12
13 **SECTION 7.** (1) Sections 9 and 10 of this 2016 Act are added to and made a part of ORS
14 475B.010 to 475B.395.

15 (2) Section 11 of this 2016 Act is added to and made a part of ORS 475B.550 to 475B.590.

16 **SECTION 8.** ORS 475B.050 is amended to read:

17 475B.050. For the purpose of requesting a state or nationwide criminal records check under ORS
18 181A.195, the Oregon Liquor Control Commission may require the fingerprints of any individual
19 listed on an application submitted under ORS 475B.040. **The powers conferred on the commission**
20 **under this section include the power to require the fingerprints of:**

21 (1) **If the applicant is a limited partnership, each partner of the limited partnership;**

22 (2) **If the applicant is a limited liability company, each member of the limited liability**
23 **company;**

24 (3) **If the applicant is a corporation, each director and officer of the corporation;**

25 (4) **Any individual who holds a financial interest of 10 percent or more in the person ap-**
26 **plying for the license; and**

27 (5) **Any individual who is a partner, member, director or officer of a legal entity with a**
28 **financial interest in the person applying for the license.**

29 **SECTION 9.** For the purpose of requesting a state or nationwide criminal records check
30 under ORS 181A.195, the Oregon Liquor Control Commission may require the fingerprints
31 of any individual listed on an application submitted under ORS 475B.218.

32 **SECTION 10.** For the purpose of requesting a state or nationwide criminal records check
33 under ORS 181A.195, the Oregon Liquor Control Commission may require the fingerprints
34 of any individual listed on an application submitted under ORS 475B.235. **The powers con-**
35 **ferred on the commission under this section include the power to require the fingerprints**
36 **of:**

37 (1) **If the applicant is a limited partnership, each partner of the limited partnership;**

38 (2) **If the applicant is a limited liability company, each member of the limited liability**
39 **company;**

40 (3) **If the applicant is a corporation, each director and officer of the corporation;**

41 (4) **Any individual who holds a financial interest of 10 percent or more in the person ap-**
42 **plying for the certificate; and**

43 (5) **Any individual who is a partner, member, director or officer of a legal entity with a**
44 **financial interest in the person applying for the certificate.**

45 **SECTION 11.** For the purpose of requesting a state or nationwide criminal records check

1 under ORS 181A.195, the Oregon Liquor Control Commission may require the fingerprints
2 of any individual listed on an application submitted under ORS 475B.560. The powers con-
3 ferred on the commission under this section include the power to require the fingerprints
4 of:

5 (1) If the applicant is a limited partnership, each partner of the limited partnership;

6 (2) If the applicant is a limited liability company, each member of the limited liability
7 company;

8 (3) If the applicant is a corporation, each director and officer of the corporation;

9 (4) Any individual who holds a financial interest of 10 percent or more in the person ap-
10 plying for the license; and

11 (5) Any individual who is a partner, member, director or officer of a legal entity with a
12 financial interest in the person applying for the license.

13 **SECTION 12.** Sections 13 and 14 of this 2016 Act are added to and made a part of ORS
14 475B.400 to 475B.525.

15 **SECTION 13.** For the purpose of requesting a state or nationwide criminal records check
16 under ORS 181A.195, the Oregon Health Authority may require the fingerprints of any indi-
17 vidual listed on an application submitted under ORS 475B.435. The powers conferred on the
18 authority under this section include the power to require the fingerprints of:

19 (1) If the applicant is a limited partnership, each partner of the limited partnership;

20 (2) If the applicant is a limited liability company, each member of the limited liability
21 company;

22 (3) If the applicant is a corporation, each director and officer of the corporation;

23 (4) Any individual who holds a financial interest of 10 percent or more in the person ap-
24 plying for the license; and

25 (5) Any individual who is a partner, member, director or officer of a legal entity with a
26 financial interest in the person applying for the license.

27 **SECTION 14.** For the purpose of requesting a state or nationwide criminal records check
28 under ORS 181A.195, the Oregon Health Authority may require the fingerprints of any indi-
29 vidual listed on an application submitted under ORS 475B.450. The powers conferred on the
30 authority under this section include the power to require the fingerprints of:

31 (1) If the applicant is a limited partnership, each partner of the limited partnership;

32 (2) If the applicant is a limited liability company, each member of the limited liability
33 company;

34 (3) If the applicant is a corporation, each director and officer of the corporation;

35 (4) Any individual who holds a financial interest of 10 percent or more in the person ap-
36 plying for the license; and

37 (5) Any individual who is a partner, member, director or officer of a legal entity with a
38 financial interest in the person applying for the license.

39 **SECTION 15.** If House Bill 4014 becomes law, sections 16, 17 and 18, chapter __, Oregon
40 Laws 2016 (Enrolled House Bill 4014), are repealed.

41
42 **WORKER PERMITS**

43
44 **SECTION 16.** ORS 475B.215 is amended to read:

45 475B.215. (1) An individual who performs work for or on behalf of a person who holds a license

1 under ORS **475B.070, 475B.090, 475B.100** or 475B.110 must have a valid permit issued by the Oregon
2 Liquor Control Commission under ORS 475B.218 if the individual participates in:

3 (a) The possession, **production, propagation, processing**, securing or selling of marijuana
4 items at the premises for which the license has been issued;

5 (b) The recording of the possession, **production, propagation, processing**, securing or selling
6 of marijuana items at the premises for which the license has been issued; or

7 (c) The verification of any document described in ORS 475B.170.

8 (2) A person who holds a license under ORS **475B.070, 475B.090, 475B.100** or 475B.110 must
9 verify that an individual has a valid permit issued under ORS 475B.218 before allowing the individ-
10 ual to perform any work described in subsection (1) of this section at the premises for which the
11 license has been issued.

12 **SECTION 17. The amendments to ORS 475B.215 by section 16 of this 2016 Act apply to**
13 **individuals who have been hired by, or who have otherwise entered into an agreement to**
14 **perform work for or on behalf of, a person who holds a license under ORS 475B.070, 475B.090,**
15 **475B.100 or 475B.110 before, on or after the operative date specified in section 32 (1) of this**
16 **2016 Act.**

17
18 **MARIJUANA PROCESSING SITES REGULATED**
19 **UNDER OREGON MEDICAL MARIJUANA ACT**
20

21 **SECTION 18.** If House Bill 4014 becomes law, ORS 475B.443, as amended by section 7, chapter
22 ____, Oregon Laws 2016 (Enrolled House Bill 4014), is amended to read:

23 475B.443. [(1)] (1)(a) **Except as provided in paragraph (b) of this subsection**, a marijuana
24 processing site may not transfer medical cannabinoid products, cannabinoid concentrates or
25 cannabinoid extracts to a person other than another marijuana processing site or a medical
26 marijuana dispensary.

27 **(b) A marijuana processing site may transfer a medical cannabinoid product, cannabinoid**
28 **concentrate or cannabinoid extract to a registry identification cardholder, or the designated**
29 **primary caregiver of a registry identification cardholder, provided that the registry identifi-**
30 **cation cardholder or designated primary caregiver provides the marijuana processing site**
31 **with the marijuana to be processed into the medical cannabinoid product, cannabinoid con-**
32 **centrate or cannabinoid extract and the marijuana processing site receives no compensation**
33 **for the transfer.**

34 **(c) A registry identification cardholder, or the designated primary caregiver of a registry**
35 **identification cardholder, may reimburse a marijuana processing site for all costs associated**
36 **with the processing of marijuana for the registry identification cardholder.**

37 (2) A person other than a marijuana processing site may not transfer medical cannabinoid pro-
38 ducts, cannabinoid concentrates or cannabinoid extracts to a medical marijuana dispensary.

39
40 **MARIJUANA PRODUCTION REPORTING**
41 **UNDER THE OREGON MEDICAL MARIJUANA ACT**
42

43 **SECTION 19.** Section 20 of this 2016 Act is added to and made a part of ORS 475B.400 to
44 **475B.525.**

45 **SECTION 20.** (1) Notwithstanding ORS 475B.423 (2), a person designated to produce

1 marijuana by a registry identification cardholder may delegate the person's duty to submit
2 to the Oregon Health Authority the information described in ORS 475B.423 to another person
3 designated to produce marijuana by a registry identification cardholder if the marijuana grow
4 sites for which the persons are required to submit the information are located at the same
5 address.

6 (2) A person to whom the duty described in subsection (1) of this section is delegated
7 must inform the authority of the delegation in a form and manner prescribed by the au-
8 thority.

9 (3) In adopting rules prescribing the form and manner in which information is submitted
10 to the authority under ORS 475B.423, the authority shall adopt rules that lessen the admin-
11 istrative burden on persons to whom the duty described in subsection (1) of this section is
12 delegated.

13 14 INSPECTIONS OF MARIJUANA GROW SITES

15
16 **SECTION 20a.** ORS 475B.490 is amended to read:

17 475B.490. (1) Registration under ORS 475B.400 to 475B.525 or possession of proof of registration
18 under ORS 475B.400 to 475B.525 does not constitute probable cause to search the person or property
19 of the registrant or otherwise subject the person or property of the registrant to inspection by a
20 government agency. However, the Oregon Health Authority may inspect [a] **the marijuana grow**
21 **site [registered under ORS 475B.420] of a person designated to produce marijuana by a registry**
22 **identification cardholder**, a marijuana processing site registered under ORS 475B.435, or a medical
23 marijuana dispensary registered under ORS 475B.450, at any reasonable time to determine whether
24 the person responsible for the marijuana grow site, the person responsible for the marijuana pro-
25 cessing site, or the person responsible for the medical marijuana dispensary, is in compliance with
26 ORS 475B.400 to 475B.525 and rules adopted under ORS 475B.400 to 475B.525.

27 (2) Any property interest possessed, owned or used in connection with the medical use of
28 marijuana or acts incidental to the medical use of marijuana that has been seized by state or local
29 law enforcement officers may not be harmed, neglected, injured or destroyed while in the possession
30 of a law enforcement agency, except that a law enforcement agency has no responsibility to main-
31 tain live marijuana plants lawfully seized. Such property interest may not be forfeited under any
32 provision of law providing for the forfeiture of property, except pursuant to a sentence imposed after
33 conviction of a criminal offense. Marijuana and equipment or paraphernalia used to produce, process
34 or administer marijuana that was seized by a law enforcement officer shall be returned immediately
35 if the district attorney in whose county the property was seized, or the district attorney's designee,
36 determines that the person from whom the marijuana, equipment or paraphernalia was seized is
37 entitled to the protections provided by ORS 475B.400 to 475B.525. The determination may be evi-
38 denced by a decision not to prosecute, the dismissal of charges or acquittal.

39 40 MEDICAL MARIJUANA DISPENSARIES 41 ORGANIZED AS NONPROFIT CORPORATIONS

42
43 **SECTION 21.** Section 22 of this 2016 Act is added to and made a part of ORS 475B.400 to
44 475B.525.

45 **SECTION 22.** (1) In addition to the powers granted nonprofit corporations under ORS

1 **65.077 and 65.081, a medical marijuana dispensary that is owned by a nonprofit corporation**
2 **organized under ORS chapter 65 may receive by gift, devise or bequest:**

3 (a) **Usable marijuana, immature marijuana plants and seeds from registry identification**
4 **cardholders, designated primary caregivers, persons responsible for marijuana grow sites,**
5 **persons who hold a license under ORS 475B.070 and persons who hold a certificate under ORS**
6 **475B.235; and**

7 (b) **Medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts**
8 **from persons responsible for marijuana processing sites, persons who hold a license under**
9 **ORS 475B.090 and persons who hold a certificate under ORS 475B.235.**

10 (2) **If a registry identification cardholder's annual income is at or below the federal pov-**
11 **erty guidelines, a medical marijuana dispensary that is owned by a nonprofit corporation**
12 **organized under ORS chapter 65 shall dispense usable marijuana, immature marijuana plants,**
13 **seeds, medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts to**
14 **that registry identification cardholder or the designated primary caregiver of that registry**
15 **identification cardholder free of charge or at a discounted price.**

16 (3) **The Oregon Health Authority shall adopt rules necessary to implement this section.**

17 **SECTION 23.** ORS 475B.160 is amended to read:

18 475B.160. (1) **Except as provided in section 22 of this 2016 Act,** a marijuana producer,
19 marijuana processor or marijuana wholesaler may deliver marijuana items only to or on a
20 [*licensed*] premises.

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

24 (3) The sale of marijuana items by a marijuana retailer that holds a license issued under ORS
25 475B.110 must be restricted to the premises described in the license, but deliveries may be made by
26 the marijuana retailer to consumers pursuant to a bona fide order received at the [*licensed*] premises
27 prior to delivery.

28 **SECTION 24.** ORS 475B.235 is amended to read:

29 475B.235. (1) The Oregon Liquor Control Commission, in consultation with the Oregon Health
30 Authority and the State Department of Agriculture, shall establish a program for the purpose of
31 identifying and certifying private and public researchers of cannabis.

32 (2)(a) The authority shall assist the commission in identifying candidates for certification under
33 this section with respect to potential medical research.

34 (b) The department shall assist the commission in identifying candidates for certification under
35 this section with respect to potential agricultural research.

36 (3) Subject to subsection (4) of this section, the commission shall adopt by rule or order:

37 (a) Qualifications for certification under this section;

38 (b) The term of a certificate issued under this section;

39 (c) Processes for applying for, receiving and renewing a certificate under this section;

40 (d) Procedures for tracking marijuana, usable marijuana, cannabinoid products, cannabinoid
41 concentrates and cannabinoid extracts received by and disposed or otherwise made use of by a
42 person certified under this section; and

43 (e) Procedures for disposing or otherwise making use of marijuana, usable marijuana,
44 cannabinoid products, cannabinoid concentrates and cannabinoid extracts.

45 (4) In establishing qualifications under subsection (3) of this section, the commission shall con-

sider the following:

(a) A research applicant's access to funding and the overall cost of the proposed research;

(b) The overall benefit of an applicant's proposed research to this state's cannabis industry or to public health and safety; and

(c) Legal barriers to conducting the proposed research or legal risks associated with conducting the proposed research.

(5) In adopting procedures under subsection (3)(d) and (e) of this section with respect to making use of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts, the commission shall also adopt procedures by which a person certified under this section may give, devise or bequest usable marijuana, immature marijuana plants, seeds, cannabinoid products, cannabinoid concentrates and cannabinoid extracts to a medical marijuana dispensary registered with the authority under ORS 475B.450 and owned by a nonprofit corporation organized under ORS chapter 65 for purposes described in section 22 of this 2016 Act.

[(5)] (6) A person certified under this section:

(a) May receive marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts from a licensee or a registrant under ORS 475B.400 to 475B.525; and

(b) May not sell or otherwise transfer marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid extracts to any other person, except as provided in *[rules adopted by the commission under subsection (3)(e) of]* this section **and rules adopted by the commission under this section.**

[(6)] (7) Except as otherwise provided by the commission by rule, rules adopted by the commission for the purpose of administering and enforcing ORS 475B.010 to 475B.395 with respect to licensees and licensee representatives apply to persons certified under this section and persons employed by or who otherwise perform work for persons certified under this section.

[(7)] (8) A person who is certified under this section, and an employee of or other person who performs work for a person certified under this section, is exempt from the criminal laws of this state for possession, delivery or manufacture of marijuana, aiding and abetting another in the possession, delivery and manufacture of marijuana, or any other criminal offense in which possession, delivery or manufacture of marijuana is an element, while performing activities related to conducting research as described in this section.

RESEARCH PROPOSALS

SECTION 25. The Oregon Health Authority shall solicit proposals through a competitive process for the purpose of choosing one or more entities to conduct research for the purpose of developing public health and safety standards for consumers of marijuana and marijuana-derived products.

EXPUNGEMENT

SECTION 26. When a person convicted of a marijuana offense based on conduct that occurred before the effective date of chapter __, Oregon Laws 2016 (Enrolled House Bill 4014), files a motion for a court order setting aside the conviction pursuant to ORS 137.225, the court shall consider the offense to be classified under ORS 161.535 or 161.555 as if the

1 **conduct occurred on or after the effective date of chapter __, Oregon Laws 2016 (Enrolled**
2 **House Bill 4014), or if the offense is no longer a crime, the court shall consider the offense**
3 **to be a Class C misdemeanor, when determining if the person is eligible for the order.**

4
5 **TECHNICAL AMENDMENTS**
6

7 **SECTION 27.** If House Bill 4014 becomes law, ORS 475B.245, as amended by section 36, chapter
8 __, Oregon Laws 2016 (Enrolled House Bill 4014), is amended to read:

9 475B.245. ORS 475B.025, 475B.030, 475B.033, 475B.035, 475B.040, 475B.045, 475B.050, 475B.055,
10 475B.060, 475B.063, 475B.065, 475B.068, 475B.070, 475B.075, [475B.080,] 475B.090, 475B.100, 475B.110,
11 475B.115, 475B.125, 475B.130, 475B.135, 475B.140, 475B.145, 475B.150, 475B.160, 475B.165, 475B.170,
12 475B.180, 475B.190, 475B.195, 475B.200, 475B.205, 475B.210, 475B.215, 475B.218, 475B.230, 475B.233,
13 475B.235, 475B.240, 475B.325, 475B.330, 475B.335, 475B.340, 475B.345, 475B.350, 475B.353, 475B.355,
14 475B.358, 475B.360, 475B.365, 475B.370 and 475B.373 do not apply:

15 (1) To the production or storage of homegrown marijuana at a household by one or more persons
16 21 years of age and older, if the total amount of homegrown marijuana at the household does not
17 exceed four marijuana plants at any time.

18 (2) To the possession or storage of usable marijuana items at a household by one or more per-
19 sons 21 years of age or older, if the total amount of usable marijuana at the household does not
20 exceed eight ounces of usable marijuana at any time.

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

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

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

30 (6) To the possession of cannabinoid extracts at a household by one or more persons 21 years
31 of age or older, if the cannabinoid extracts were purchased from a marijuana retailer that holds a
32 license under ORS 475B.110, or transferred by a medical marijuana dispensary registered by the
33 Oregon Health Authority under ORS 475B.450, and the total amount of cannabinoid extracts at the
34 household does not exceed one ounce at any time.

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

37 (8) To the delivery of not more than 16 ounces of cannabinoid products in solid form at a time
38 by a person 21 years of age or older to another person 21 years of age or older for noncommercial
39 purposes.

40 (9) To the delivery of not more than 72 ounces of cannabinoid products in liquid form at a time
41 by a person 21 years of age or older to another person 21 years of age or older for noncommercial
42 purposes.

43 (10) To the delivery of not more than 16 ounces of cannabinoid concentrates at a time by a
44 person 21 years of age or older to another person 21 years of age or older for noncommercial pur-
45 poses.

1 **SECTION 28.** If House Bill 4014 becomes law, section 79, chapter ____, Oregon Laws 2016 (En-
2 rolled House Bill 4014), is amended to read:

3 **Sec. 79.** (1) Sections 14, 15 [to 18], 21, 22, 24, 25, 30, 33 to 35, 40, 41, 47 to 53f, 69 and 71 to 75
4 of this 2016 Act, the amendments to statutes and session law by sections 1 to 13, 19, 20, 23, [26,
5 27,] 31, 32, 36 to 39, 42 to 46 and 54 to 68 of this 2016 Act and the repeal of statutes and session
6 law by sections 76 and 77 of this 2016 Act become operative on March 1, 2016.

7 (2) The Oregon Liquor Control Commission, Oregon Health Authority and Department of Re-
8 venue may take any action before the operative date specified in subsection (1) of this section that
9 is necessary to enable the commission, authority or department to exercise, on and after the oper-
10 ative date specified in subsection (1) of this section, all the duties, powers and functions conferred
11 on the commission, authority or department by sections 14, 15 [to 18], 21, 22, 24, 25, 30, 33 to 35,
12 40, 41, 47 to 53f, 69 and 71 to 75 of this 2016 Act, the amendments to statutes and session law by
13 sections 1 to 13, 19, 20, 23, [26, 27,] 31, 32, 36 to 39, 42 to 46 and 54 to 68 of this 2016 Act and the
14 repeal of statutes and session law by sections 76 and 77 of this 2016 Act.

15 **SECTION 29.** If Senate Bill 1511 becomes law, sections 16, 17, 18 (amending ORS
16 475B.345), 19 (amending ORS 475B.730) and 20 (amending ORS 475B.750), chapter ____, Oregon
17 Laws 2016 (Enrolled Senate Bill 1511), are repealed.

18 **SECTION 30.** If House Bill 4014 becomes law, sections 26 (amending ORS 475B.705), 27
19 (amending ORS 475B.710), 28 (amending ORS 316.680), 28a (amending ORS 316.680), 29 and 67
20 (amending ORS 475B.375) chapter ____, Oregon Laws 2016 (Enrolled House Bill 4014), are re-
21 pealed.

22 REPORT

23
24
25 **SECTION 31.** (1) The Oregon Health Authority shall study methods by which medical
26 marijuana dispensaries may dispense usable marijuana, immature marijuana plants, seeds,
27 medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts remotely
28 in areas of this state where individuals who hold a registry identification card issued under
29 ORS 475B.415 do not have access to a medical marijuana dispensary.

30 (2) On or before January 1, 2017, the Oregon Health Authority shall report the
31 authority's findings under subsection (1) of this section to the interim legislative committees
32 related to health, and any interim legislative committee specifically related to the regulation
33 of medical marijuana or marijuana-derived medical products. The report shall be made in the
34 manner provided by ORS 192.245 and may include recommendations for legislation.

35 OPERATIVE DATES

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38 **SECTION 31a.** The amendments to ORS 475B.490 by section 20a of this 2016 Act become
39 operative on March 1, 2016.

40 **SECTION 32.** (1) The amendments to ORS 475B.215 by section 16 of this 2016 Act become
41 operative on July 1, 2016.

42 (2) Sections 21 and 22 of this 2016 Act and the amendments to ORS 475B.160 and 475B.235
43 by sections 23 and 24 of this 2016 Act become operative on January 1, 2017.

44 (3) The Oregon Liquor Control Commission and the Oregon Health Authority may take
45 any action before the operative date specified in subsection (1) or (2) of this section, as ap-

1 plicable, that is necessary to enable the commission or authority to exercise, on and after
2 the operative date specified in subsection (1) or (2) of this section, as applicable, all the du-
3 ties, powers and functions conferred on the commission by the amendments to ORS 475B.215
4 by section 16 of this 2016 Act or conferred on the authority and the commission by sections
5 21 and 22 of this 2016 Act and the amendments to ORS 475B.160 and 475B.235 by sections 23
6 and 24 of this 2016 Act.

7
8 **UNIT CAPTIONS**

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10 **SECTION 33.** The unit captions used in this 2016 Act are provided only for the conven-
11 ience of the reader and do not become part of the statutory law of this state or express any
12 legislative intent in the enactment of this 2016 Act.

13
14 **EMERGENCY CLAUSE**

15
16 **SECTION 34.** This 2016 Act being necessary for the immediate preservation of the public
17 peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect
18 on its passage.
19 _____