

Requested by JOINT COMMITTEE ON MARIJUANA LEGALIZATION

**PROPOSED AMENDMENTS TO
SENATE BILL 1511**

1 On page 1 of the printed bill, line 2, after “ORS” insert “336.241,
2 475B.015,”.

3 In line 3, delete “and 475B.375” and insert “, 475B.345, 475B.375, 475B.450,
4 475B.625, 475B.730 and 475B.750”.

5 Delete lines 6 through 25 and delete pages 2 through 15 and insert:
6

7 **“REGISTRATION FOR MEDICAL PURPOSES**

8 **“(Series Placement)**

9
10 **“SECTION 1. Sections 2 to 6 of this 2016 Act are added to and made
11 a part of ORS 475B.010 to 475B.395.**

12
13 **“(Marijuana Producers)**

14
15 **“SECTION 2. (1) As used in this section, ‘designated primary
16 caregiver,’ ‘marijuana processing site,’ ‘medical marijuana
17 dispensary’ and ‘registry identification cardholder’ have the meanings
18 given those terms in ORS 475B.410.**

19 **“(2) To produce marijuana for medical purposes, a marijuana pro-
20 ducer that holds a license under ORS 475B.070 must register with the
21 Oregon Liquor Control Commission under this section.**

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

4 **“(a) Holds a license under ORS 475B.070;**

5 **“(b) Meets any qualifications adopted by the commission by rule;**

6 **“(c) Applies to the commission in a form and manner prescribed by**
7 **the commission; and**

8 **“(d) Pays any fee adopted by the commission by rule.**

9 **“(4)(a) A marijuana producer registered under this section may**
10 **produce marijuana for a registry identification cardholder, and provide**
11 **usable marijuana to the registry identification cardholder or to the**
12 **designated primary caregiver of the registry identification cardholder,**
13 **if the marijuana producer enters into an agreement with the registry**
14 **identification cardholder for whom the marijuana producer is produc-**
15 **ing the marijuana. An agreement entered into under this subsection:**

16 **“(A) Must be submitted to the commission in a manner prescribed**
17 **by the commission;**

18 **“(B) Except as provided in subparagraph (C) of this paragraph, may**
19 **not allow the marijuana producer to be compensated for producing the**
20 **marijuana or providing the usable marijuana;**

21 **“(C) May require a registry identification cardholder, or a desig-**
22 **nated primary caregiver on behalf of a registry identification**
23 **cardholder, to reimburse a marijuana producer for all costs associated**
24 **with producing marijuana for the registry identification cardholder or**
25 **providing usable marijuana to the registry identification cardholder**
26 **or designated primary caregiver;**

27 **“(D) May not allow the marijuana producer to produce for the reg-**
28 **istry identification cardholder an amount of mature marijuana plants**
29 **that exceeds the amount that a registry identification cardholder and**
30 **a designated primary caregiver may jointly possess under ORS**

1 **475B.428;**

2 **“(E) May not allow the marijuana producer to provide to the reg-**
3 **istry identification cardholder an amount of usable marijuana that**
4 **exceeds the amount that a registry identification cardholder and a**
5 **designated primary caregiver may jointly possess under ORS 475B.430;**
6 **and**

7 **“(F) May allow the marijuana producer to keep a portion of the**
8 **usable marijuana harvested from the marijuana produced for the reg-**
9 **istry identification cardholder for the purposes of:**

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

12 **“(ii) Transferring or selling usable marijuana to marijuana pro-**
13 **cessing sites or medical marijuana dispensaries.**

14 **“(c) Marijuana produced for a registry identification cardholder,**
15 **and usable marijuana transferred or sold to a marijuana processing**
16 **site or medical marijuana dispensary, pursuant to an agreement en-**
17 **tered into under this subsection must be tracked by the system de-**
18 **veloped and maintained under ORS 475B.150.**

19 **“(d)(A) Upon request by the commission, the Oregon Health Au-**
20 **thority shall provide the commission, notwithstanding any laws relat-**
21 **ing to the confidentiality of information under ORS 475B.460 and**
22 **475B.462, with the registration information of:**

23 **“(i) A registry identification cardholder who enters into an agree-**
24 **ment under this subsection; or**

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

29 **“(B) Registration information received by the commission under**
30 **this paragraph that is confidential and not subject to public disclosure**

1 under ORS 475B.460 and 475B.462 remains confidential and not subject
2 to public disclosure after being provided to the commission.

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

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

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

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

13 “(C) Limiting the amount of usable marijuana that may be pro-
14 vided, transferred or sold under subsection (4)(a)(F) of this section;

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

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

21 “(b) The rules must provide that any fee adopted by the commission
22 under subsection (3)(d) of this section be in an amount reasonably
23 calculated to not exceed, together with other fees collected under ORS
24 475B.010 to 475B.395, the cost of administering ORS 475B.010 to
25 475B.395.

26

27 “(Marijuana Processors)

28

29 “SECTION 3. (1) To process marijuana for medical purposes, a
30 marijuana processor that holds a license under ORS 475B.090 must

1 register with the Oregon Liquor Control Commission under this sec-
2 tion.

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

6 “(a) Holds a license under ORS 475B.090;

7 “(b) Meets any qualifications adopted by the commission by rule;

8 “(c) Applies to the commission in a form and manner prescribed by
9 the commission; and

10 “(d) Pays any fee adopted by the commission by rule.

11 “(3) A marijuana processor registered under this section may pro-
12 cess marijuana and usable marijuana into medical grade cannabinoid
13 products, cannabinoid concentrates and cannabinoid extracts.

14 “(4) The commission shall adopt rules necessary to administer this
15 section. The rules must provide that any fee adopted by the commis-
16 sion under subsection (2)(d) of this section be in an amount reasonably
17 calculated to not exceed, together with other fees collected under ORS
18 475B.010 to 475B.395, the cost of administering ORS 475B.010 to
19 475B.395.

20

21 “(Marijuana Wholesalers)

22

23 “SECTION 4. (1) To sell marijuana at wholesale for medical pur-
24 poses, a marijuana wholesaler that holds a license under ORS 475B.100
25 must register with the Oregon Liquor Control Commission under this
26 section.

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

30 “(a) Holds a license under ORS 475B.100;

1 **“(4) A marijuana retailer registered under this section:**

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

5 **“(b) May not sell medical grade cannabinoid products, cannabinoid**
6 **concentrates and cannabinoid extracts to individuals other than reg-**
7 **istry identification cardholders and designated primary caregivers;**

8 **“(c) May sell usable marijuana and medical grade cannabinoid pro-**
9 **ducts, cannabinoid concentrates and cannabinoid extracts to registry**
10 **identification cardholders and designated primary caregivers at a dis-**
11 **counted price; and**

12 **“(d) May provide usable marijuana and medical grade cannabinoid**
13 **products, cannabinoid concentrates and cannabinoid extracts to reg-**
14 **istry identification cardholders and designated primary caregivers free**
15 **of charge.**

16 **“(5) The commission shall adopt rules necessary to administer this**
17 **section. The rules must provide that any fee adopted by the commis-**
18 **sion under subsection (3)(d) of this section be in an amount reasonably**
19 **calculated to not exceed, together with other fees collected under ORS**
20 **475B.010 to 475B.395, the cost of administering ORS 475B.010 to**
21 **475B.395.**

22 **“SECTION 6. Notwithstanding the provisions of ORS 475B.400 to**
23 **475B.525, rules adopted by the Oregon Health Authority under ORS**
24 **475B.400 to 475B.525 must allow for the provision, transfer and sale of**
25 **usable marijuana as described in section 2 of this 2016 Act.**

26

27 **“(General Rulemaking Authority)**

28

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

30 **“475B.070. (1) The production of marijuana is subject to regulation by the**

1 Oregon Liquor Control Commission.

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

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

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

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

12 “(3) The commission shall adopt rules that:

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

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

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

19 “(d) **Allow a marijuana producer registered under section 2 of this**
20 **2016 Act to produce marijuana for medical purposes in the same**
21 **manner that rules adopted under ORS 475B.010 to 475B.395 allow a**
22 **marijuana producer to produce marijuana for nonmedical purposes,**
23 **excepting those circumstances where differentiating between the pro-**
24 **duction of marijuana for medical purposes and the production of**
25 **marijuana for nonmedical purposes is necessary to protect the public**
26 **health and safety;**

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

30 “[*e*](A) (f)(A) Require a marijuana producer to meet any public health

1 and safety standards and industry best practices established by the commis-
2 sion by rule related to:

3 “(i) The production of marijuana; or

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

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

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

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

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

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

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

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

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

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

23 “475B.090. (1) The processing of marijuana items is subject to regulation
24 by the Oregon Liquor Control Commission.

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

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

29 “(b) Must, until January 1, 2020, provide proof that an applicant listed
30 on an application submitted under ORS 475B.040 has been a resident of this

1 state for two or more years, and must provide proof that the applicant is 21
2 years of age or older;

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

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

7 “(3) The commission shall adopt rules that:

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

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

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

14 “**(d) Allow a marijuana processor registered under section 3 of this**
15 **2016 Act to process marijuana and usable marijuana into medical grade**
16 **cannabinoid products, cannabinoid concentrates and cannabinoid ex-**
17 **tracts in the same manner that rules adopted under ORS 475B.010 to**
18 **475B.395 allow a marijuana processor to process marijuana and usable**
19 **marijuana into general use cannabinoid products, cannabinoid con-**
20 **centrates and cannabinoid extracts, excepting those circumstances**
21 **where differentiating between the processing of medical grade**
22 **cannabinoid products, cannabinoid concentrates and cannabinoid ex-**
23 **tracts and the processing of general use cannabinoid products,**
24 **cannabinoid concentrates and cannabinoid extracts is necessary to**
25 **protect the public health and safety; and**

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

29 “(A) Cannabinoid edibles;

30 “(B) Cannabinoid concentrates;

1 “(C) Cannabinoid extracts; and

2 “(D) Any other type of cannabinoid product identified by the commission
3 by rule.

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

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

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

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

10 “475B.100. (1) The wholesale sale of marijuana items is subject to regu-
11 lation by the Oregon Liquor Control Commission.

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

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

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

21 “(c) May not be located in an area that is zoned exclusively for residen-
22 tial use; and

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

25 “(3) The commission shall adopt rules that:

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

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

30 “(c) Require marijuana items received, stored or delivered by a marijuana

1 wholesaler to be tested in accordance with ORS 475B.555; [and]

2 **“(d) Allow a marijuana wholesaler registered under section 4 of this**
3 **2016 Act to sell medical grade cannabinoid products, cannabinoid con-**
4 **centrates and cannabinoid extracts at wholesale in the same manner**
5 **that rules adopted under ORS 475B.010 to 475B.395 allow a marijuana**
6 **wholesaler to sell general use cannabinoid products, cannabinoid con-**
7 **centrates and cannabinoid extracts at wholesale, excepting those cir-**
8 **cumstances where differentiating between the sale of medical grade**
9 **cannabinoid products, cannabinoid concentrates and cannabinoid ex-**
10 **tracts and the sale of general use cannabinoid products, cannabinoid**
11 **concentrates and cannabinoid extracts is necessary to protect the**
12 **public health and safety; and**

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

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

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

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

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

22 **“475B.110. (1) The retail sale of marijuana items is subject to regulation**
23 **by the Oregon Liquor Control Commission.**

24 **“(2) A marijuana retailer must have a retail license issued by the com-**
25 **mission for the premises at which marijuana items are sold. To hold a retail**
26 **license under this section, a marijuana retailer:**

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

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

1 years of age or older;

2 “(c) May not be located in an area that is zoned exclusively for residen-
3 tial use;

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

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

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

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

12 “(3) The commission shall adopt rules that:

13 “(a) Require a marijuana retailer to annually renew a license issued un-
14 der this section;

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

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

19 “(d) **Subject to the limitations and privileges described in section 5**
20 **(4) of this 2016 Act, allow a marijuana retailer registered under section**
21 **5 of this 2016 Act to sell medical grade cannabinoid products,**
22 **cannabinoid concentrates and cannabinoid extracts at retail in the**
23 **same manner that rules adopted under ORS 475B.010 to 475B.395 allow**
24 **a marijuana retailer to sell general use cannabinoid products,**
25 **cannabinoid concentrates and cannabinoid extracts at retail, excepting**
26 **those circumstances where differentiating between the sale of medical**
27 **grade cannabinoid products, cannabinoid concentrates and**
28 **cannabinoid extracts and the sale of general use cannabinoid products,**
29 **cannabinoid concentrates and cannabinoid extracts is necessary to**
30 **protect the public health and safety; and**

1 flowers have been incorporated.

2 “[5] (4) ‘Cannabinoid extract’ means a substance obtained by separating
3 cannabinoids from marijuana by:

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

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

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

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

14 “(b) ‘Cannabinoid product’ does not include:

15 “(A) Usable marijuana by itself;

16 “(B) A cannabinoid concentrate by itself;

17 “(C) A cannabinoid extract by itself; or

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

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

21 “(7)(a) ‘Financial consideration’ means value that is given or received ei-
22 ther directly or indirectly through sales, barter, trade, fees, charges, dues,
23 contributions or donations.

24 “(b) ‘Financial consideration’ does not include:

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

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

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

1 “(9) ‘Household’ means a housing unit and any place in or around a
2 housing unit at which the occupants of the housing unit are producing,
3 processing, or storing homegrown marijuana or homemade cannabinoid pro-
4 ducts or cannabinoid concentrates.

5 “(10) ‘Housing unit’ means a house, an apartment or a mobile home, or
6 a group of rooms or a single room that is occupied as separate living quar-
7 ters, in which the occupants live and eat separately from any other persons
8 in the building and that has direct access from the outside of the building
9 or through a common hall.

10 “(11) ‘Immature marijuana plant’ means a marijuana plant that is not
11 flowering.

12 “(12) ‘Licensee’ means a person who holds a license issued under ORS
13 475B.070, 475B.090, 475B.100 or 475B.110.

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

17 “(14)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae, any
18 part of the plant Cannabis family Cannabaceae and the seeds of the plant
19 Cannabis family Cannabaceae.

20 “(b) ‘Marijuana’ does not include industrial hemp, as defined in ORS
21 571.300.

22 “(15) ‘Marijuana flowers’ means the flowers of the plant genus Cannabis
23 within the plant family Cannabaceae.

24 “(16) ‘Marijuana items’ means marijuana, cannabinoid products,
25 cannabinoid concentrates and cannabinoid extracts.

26 “(17) ‘Marijuana leaves’ means the leaves of the plant genus Cannabis
27 within the plant family Cannabaceae.

28 “(18) ‘Marijuana processor’ means a person who processes marijuana
29 items in this state.

30 “(19) ‘Marijuana producer’ means a person who produces marijuana in

1 this state.

2 “(20) ‘Marijuana retailer’ means a person who sells marijuana items to a
3 consumer in this state.

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

6 “(22) ‘Mature marijuana plant’ means a marijuana plant that is not an
7 immature marijuana plant.

8 “(23) **‘Medical grade cannabinoid product, cannabinoid concentrate
9 or cannabinoid extract’ means a cannabinoid product, cannabinoid
10 concentrate or cannabinoid extract that has a concentration of
11 tetrahydrocannabinol that is permitted under ORS 475B.625 in a single
12 serving of the cannabinoid product, cannabinoid concentrate or
13 cannabinoid extract for consumers who hold a valid registry identifi-
14 cation card issued under ORS 475B.415.**

15 “(24) **‘Medical purpose’ means a purpose related to using usable
16 marijuana, cannabinoid products, cannabinoid concentrates or
17 cannabinoid extracts to mitigate the symptoms or effects of a debili-
18 tating medical condition, as defined in ORS 475B.410.**

19 “[23] (25) ‘Noncommercial’ means not dependent or conditioned upon the
20 provision or receipt of financial consideration.

21 “[24(a)] (26)(a) ‘Premises’ or ‘licensed premises’ includes the following
22 areas of a location licensed under ORS 475B.070, 475B.090, 475B.100 or
23 475B.110:

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

27 “(B) All areas outside a building that the commission has specifically li-
28 censed for the production, processing, wholesale sale or retail sale of
29 marijuana items; and

30 “(C) For a location that the commission has specifically licensed for the

1 production of marijuana outside a building, the entire lot or parcel, as de-
2 fined in ORS 92.010, that the licensee owns, leases or has a right to occupy.

3 “(b) ‘Premises’ or ‘licensed premises’ does not include a primary residence.

4 “[~~(25)(a)~~] **(27)(a)** ‘Processes’ means the processing, compounding or con-
5 version of marijuana into cannabinoid products, cannabinoid concentrates
6 or cannabinoid extracts.

7 “(b) ‘Processes’ does not include packaging or labeling.

8 “[~~(26)(a)~~] **(28)(a)** ‘Produces’ means the manufacture, planting, cultivation,
9 growing or harvesting of marijuana.

10 “(b) ‘Produces’ does not include:

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

13 “(B) The cultivation and growing of an immature marijuana plant by a
14 marijuana processor, marijuana wholesaler or marijuana retailer if the
15 marijuana processor, marijuana wholesaler or marijuana retailer purchased
16 or otherwise received the plant from a licensed marijuana producer.

17 “[~~(27)~~] **(29)** ‘Propagate’ means to grow immature marijuana plants or to
18 breed or produce the seeds of the plant Cannabis family Cannabaceae.

19 “[~~(28)~~] **(30)** ‘Public place’ means a place to which the general public has
20 access and includes, but is not limited to, hallways, lobbies and other parts
21 of apartment houses and hotels not constituting rooms or apartments de-
22 signed for actual residence, and highways, streets, schools, places of
23 amusement, parks, playgrounds and areas used in connection with public
24 passenger transportation.

25 “[~~(29)(a)~~] **(31)(a)** ‘Usable marijuana’ means the dried leaves and flowers
26 of marijuana.

27 “(b) ‘Usable marijuana’ does not include:

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

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

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

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

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

8 “(3) The sale of marijuana items by a marijuana retailer that holds a li-
9 cense issued under ORS 475B.110 must be restricted to the premises described
10 in the license, but deliveries may be made by the marijuana retailer to con-
11 sumers pursuant to a bona fide order received at the [*licensed*] premises prior
12 to delivery.

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

14 “475B.245. ORS 475B.025, **475B.030**, 475B.033, 475B.035, 475B.040, 475B.045,
15 **475B.050**, 475B.055, 475B.060, **475B.063**, 475B.065, 475B.068, 475B.070,
16 **475B.075**, 475B.090, 475B.100, 475B.110, **475B.115**, **475B.125**, 475B.130,
17 **475B.135**, **475B.140**, **475B.145**, **475B.150**, 475B.160, 475B.165, 475B.170,
18 **475B.180**, **475B.190**, **475B.195**, **475B.200**, **475B.205**, 475B.210, **475B.215**,
19 **475B.218**, **475B.230**, **475B.233**, **475B.235**, **475B.240**, [475B.265,] 475B.325,
20 475B.330, 475B.335, **475B.340**, **475B.345**, 475B.350, 475B.353, 475B.355,
21 475B.358, **475B.360**, **475B.365**, **475B.370**, [and] 475B.380 **and 475B.373 and**
22 **sections 2, 3, 4 and 5 of this 2016 Act** do not apply:

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

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

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

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

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

12 “(6) To the delivery of not more than 16 ounces of homemade cannabinoid
13 products in solid form at a time by a person 21 years of age or older to an-
14 other person 21 years of age or older for noncommercial purposes.

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

18 “(8) To the delivery of not more than 16 ounces of cannabinoid concen-
19 trates at a time by a person 21 years of age or older to another person 21
20 years of age or older for noncommercial purposes.

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

22 “475B.375. ORS 475B.025, 475B.033, 475B.035, 475B.040, 475B.045, 475B.055,
23 475B.060, 475B.065, 475B.068, 475B.070, 475B.090, 475B.100, 475B.110, 475B.130,
24 475B.160, 475B.165, 475B.170, 475B.180, 475B.185, 475B.190, 475B.195, 475B.200,
25 475B.205, 475B.210, 475B.250, 475B.255, 475B.260, 475B.265, 475B.270, 475B.275,
26 475B.280, 475B.298, 475B.300, 475B.305, 475B.310, 475B.315, 475B.320, 475B.325,
27 475B.330, 475B.335, 475B.340, 475B.350, 475B.353, 475B.355, 475B.358, 475B.365,
28 475B.378, 475B.380 and 475B.395[.] **and section 2 of this 2016 Act:**

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

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

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

4 “475B.625. (1) The Oregon Health Authority shall adopt rules establishing:

5 “(a) The maximum concentration of tetrahydrocannabinol that is permit-
6 ted in a single serving of a cannabinoid product or cannabinoid concentrate
7 or extract; and

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

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

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

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

18 **“(b) In prescribing the levels of concentration of**
19 **tetrahydrocannabinol that is permitted in a single serving of a**
20 **cannabinoid product or cannabinoid concentrate or extract for con-**
21 **sumers who hold a valid registry identification card issued under ORS**
22 **475B.415, the authority shall consider the appropriate level of concen-**
23 **tration necessary to mitigate the symptoms or effects of a debilitating**
24 **medical condition, as defined in ORS 475B.410.**

25 “[2] (3) In adopting rules under ORS 475B.400 to 475B.525, the authority
26 shall require all usable marijuana, cannabinoid products and cannabinoid
27 concentrates and extracts transferred by a medical marijuana dispensary
28 registered under ORS 475B.450 to meet the concentration standards **and**
29 **packaging standards** adopted by rule pursuant to [*subsection (1) of*] this
30 section.

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

7
8 **“TAX RELIEF FOR REGISTRY IDENTIFICATION CARDHOLDERS**

9
10 **“SECTION 16. Section 17 of this 2016 Act is added to and made a**
11 **part of ORS 475B.700 to 475B.760.**

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

15 **“(2) Notwithstanding ORS 475B.705:**

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

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

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

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

29 **“(3) The Department of Revenue:**

30 **“(a) Shall adopt rules establishing procedures by which a marijuana**

1 **retailer shall document that a consumer holds a valid registry iden-**
2 **tification card issued under ORS 475B.415 or a valid identification card**
3 **issued under ORS 475B.415 (5)(b); and**

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

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

9 **“475B.345. (1) As used in this section, ‘designated primary**
10 **caregiver’ and ‘registry identification cardholder’ have the meanings**
11 **given those terms in ORS 475B.410.**

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

15 **“(b)** Except as expressly authorized by this section, a county, city or other
16 **municipal corporation or district may not adopt or enact ordinances impos-**
17 **ing a tax or fee on the production, processing or sale of marijuana items in**
18 **this state.**

19 **“[(2)] (3)** Subject to subsection **[(4)] (5)** of this section, the governing body
20 **of a city or county may adopt an ordinance to be referred to the electors of**
21 **the city or county as described in subsection [(3)] (4) of this section that**
22 **imposes a tax or a fee on the sale of marijuana items that are sold in the**
23 **area subject to the jurisdiction of the city or the unincorporated area subject**
24 **to the jurisdiction of a county by a person that holds a license under ORS**
25 **475B.110.**

26 **“[(3)] (4)** If the governing body of a city or county adopts an ordinance
27 **under this section, the governing body shall refer the measure of the ordi-**
28 **nance to the electors of the city or county for approval at the next statewide**
29 **general election.**

30 **“[(4)] (5)** An ordinance adopted under this section may not impose a tax

1 or fee:

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

3 “(b) **On a registry identification cardholder or on a designated pri-**
4 **mary caregiver who is purchasing a marijuana item for a registry**
5 **identification cardholder.**

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

7 “475B.730. (1) Notwithstanding the confidentiality provisions of ORS
8 475B.755, the Department of Revenue may disclose information received un-
9 der ORS 317.363 and 475B.700 to 475B.760 to:

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

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

14 “(2) The commission may disclose information obtained pursuant to ORS
15 475B.010 to 475B.395 and 475B.700 to 475B.760 to the department for the
16 purpose of carrying out the provisions of ORS 475B.010 to 475B.395 and
17 475B.700 to 475B.760.

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

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

23 “475B.750. (1) The Department of Revenue shall administer and enforce
24 ORS 475B.700 to 475B.760. The department is authorized to establish rules
25 and procedures for the implementation and enforcement of ORS 475B.700 to
26 475B.760 that are consistent with ORS 475B.700 to 475B.760 and that the de-
27 partment considers necessary and appropriate to administer and enforce ORS
28 475B.700 to 475B.760.

29 “(2) The Oregon Liquor Control Commission shall enter into an agree-
30 ment with the department for the purpose of administering and enforcing

1 those provisions of ORS 475B.700 to 475B.760, and rules or procedures es-
2 tablished for the purpose of implementing and enforcing ORS 475B.700 to
3 475B.760, that the commission and the department determine are necessary
4 for the effective and efficient administration, implementation and enforce-
5 ment of ORS 475B.700 to 475B.760.

6 **“(3) The Oregon Health Authority shall enter into an agreement**
7 **with the department for the purpose of administering and enforcing**
8 **the provisions of section 17 of this 2016 Act, and rules or procedures**
9 **established for the purpose of implementing and enforcing section 17**
10 **of this 2016 Act, that the authority and the department determine are**
11 **necessary for the effective and efficient administration, implementa-**
12 **tion and enforcement of section 17 of this 2016 Act.**

13

14

“EARLY START

15

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

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

19 **“(a) ‘Cannabinoid edible’ has the meaning given that term in ORS**
20 **475B.410.**

21 **“(b) ‘Cannabinoid extract’ has the meaning given that term in ORS**
22 **475B.410.**

23 **“[(a)] (c) ‘Limited marijuana retail product’ means:**

24 **“(A) The seeds of marijuana;**

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

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

27 **“(D) Cannabinoid edibles;**

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

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

1 “[b)] (d) ‘Marijuana’ means the plant Cannabis family Cannabaceae, any
2 part of the plant Cannabis family Cannabaceae and the seeds of the plant
3 Cannabis family Cannabaceae.

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

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

8 “(2) Notwithstanding any other provision of law, on and after October 1,
9 2015, a medical marijuana dispensary may sell limited marijuana retail
10 product to a person who is 21 years of age or older if:

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

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

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

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

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

24 “(f) **The medical marijuana dispensary sells no more than one re-**
25 **ceptacle of limited marijuana retail product to the person per day if**
26 **the person is purchasing a prefilled receptacle of a cannabinoid ex-**
27 **tract.**

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

1 diction of the county.

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

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

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

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

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

13

14

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

15

16

17

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

19 **“(a) ‘Marijuana’ has the meaning given that term in ORS 475B.015.**

20 **“(b) ‘Marijuana grow site’ has the meaning given that term in ORS**
21 **475B.410.**

22 **“(c) ‘Marijuana producer’ has the meaning given that term in ORS**
23 **475B.015.**

24 **“(d) ‘Premises’ has the meaning given that term in ORS 475B.015.**

25 **“(e) ‘Produce’ has the meaning given that term in ORS 475B.015.**

26 **“(f) ‘Registry identification cardholder’ has the meaning given that**
27 **term in ORS 475B.410.**

28 **“(2) For each person responsible for a marijuana grow site located**
29 **at an address, the amount of mature marijuana plants produced at**
30 **that address on the effective date of this 2016 Act may continue to be**

1 produced at the address, regardless of whether the amount of mature
2 marijuana plants is in excess of the limits imposed under ORS
3 475B.428, if an applicant for licensure under ORS 475B.070 files notice
4 under subsection (3) of this section and if:

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

10 “(b) Under the circumstance that the commission discontinues li-
11 censing the premises of marijuana producers pursuant to ORS 475B.800
12 (4)(b), a completed application has been filed with the commission
13 under ORS 475B.040 on or before April 1, 2016, to produce marijuana
14 on the premises that is located at the address, except for the require-
15 ment that a land use compatibility statement be obtained as described
16 in ORS 475B.063, and the applicant has paid in full the application fee
17 adopted by the commission under ORS 475B.070.

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

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

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

29 “(c) Proof that the applicant has sent, by certified mail with return
30 receipt requested to each registry identification cardholder for whom

1 marijuana is produced at the address, notice:

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

4 “(B) That the registry identification cardholder’s possessory rights
5 under ORS 475B.420 (7) terminate on the date that the applicant re-
6 ceives a license under ORS 475B.070 to produce marijuana on the
7 premises that is located at the address; and

8 “(d) A statement that the applicant has filed a completed applica-
9 tion with the commission under ORS 475B.040, as described in sub-
10 section (2)(a) or (b) of this section, to produce marijuana on the
11 premises that is located at the address.

12 “(4) On the date that an applicant receives a license under ORS
13 475B.070 to produce marijuana at an address, the possessory right to
14 all seeds, immature marijuana plants, mature marijuana plants and
15 usable marijuana in the applicant’s possession transfer from each
16 registry identification cardholder for whom marijuana is being
17 produced at the address to the applicant, provided that the applicant
18 provides just compensation to any registry identification cardholder
19 who requests to be paid for the seeds, immature marijuana plants,
20 mature marijuana plants and usable marijuana being transferred from
21 the registry identification cardholder to the applicant. Provision of
22 just compensation as required by this subsection can be part of an
23 agreement entered into under section 2 (4) of this 2016 Act.

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

26 “(a) Forward the notice to the commission; and

27 “(b) Suspend issuing marijuana grow site registration cards under
28 ORS 475B.420 to any proposed marijuana grow site that would be lo-
29 cated at the premises for which licensure is sought.

30 “(6) Upon receiving a notice from the authority under subsection

1 (5) of this section, the commission shall provide the authority with
2 information verifying that the applicant has met the conditions set
3 forth in subsection (2)(a) or (b) of this section.

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

16 “SECTION 23. Notwithstanding the operative date specified in sec-
17 tion 179, chapter 614, Oregon Laws 2015, a person is not subject to the
18 limits imposed on mature marijuana plants under ORS 475B.428 (3) and
19 (4):

20 “(1) Until April 1, 2016; or

21 “(2) If the person has filed a completed application with the Oregon
22 Liquor Control Commission under ORS 475B.040 as described in section
23 22 (2)(a) and (b) of this 2016 Act.

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

26
27 “STAY ON POSSESSION LIMITS FOR
28 PERSONS NOT APPLYING TO BE LICENSED BY
29 THE OREGON LIQUOR CONTROL COMMISSION
30

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

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

9 **“(a) That the person responsible for the marijuana grow site was**
10 **first registered with the authority under ORS 475B.420 before January**
11 **1, 2015, to produce mature marijuana plants at that address; and**

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

15 **“(2) The authority may use any means necessary to verify infor-**
16 **mation received by the authority under subsection (1) of this section.**

17 **“(3) Notwithstanding the limits imposed on the production of ma-**
18 **ture marijuana plants in ORS 475B.428 (3), an amount of mature**
19 **marijuana plants in excess of 12 mature marijuana plants, not to ex-**
20 **ceed 24 mature marijuana plants, may be produced at the address until**
21 **the earlier of the following:**

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

26 **“(b) May 1, 2016.**

27 **“(4) Notwithstanding the limits imposed on the production of ma-**
28 **ture marijuana plants in ORS 475B.428 (4), an amount of mature**
29 **marijuana plants in excess of 48 mature marijuana plants, not to ex-**
30 **ceed 96 mature marijuana plants, may be produced at the address until**

1 the earlier of the following:

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

6 “(b) May 1, 2016.

7 “(5) A person responsible for a marijuana grow site who was not
8 first registered with the authority under ORS 475B.420 before January
9 1, 2015, and who was not registered at a marijuana grow site on De-
10 cember 31, 2014, may not be registered to produce mature marijuana
11 plants in amounts set forth in ORS 475B.428 (3)(b) or (4)(b).

12 “SECTION 27. Section 26 of this 2016 Act is repealed on January 1,
13 2017.

14

15 “DISTANCE REQUIREMENTS

16

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

19 “SECTION 29. (1) Notwithstanding ORS 475B.450 (3)(d), a city or
20 county may adopt an ordinance allowing a medical marijuana
21 dispensary to be located within 500 feet of a public elementary or sec-
22 ondary school for which attendance is compulsory under ORS 339.020,
23 or a private or parochial elementary or secondary school teaching
24 children as described in ORS 339.030 (1)(a), if the county or city de-
25 termines that a physical or geographic barrier capable of preventing
26 children from traversing to the school separates the medical
27 marijuana dispensary from the school.

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

1 ordinance.

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

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

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

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

18 **“475B.450. (1)(a) The Oregon Health Authority shall establish by rule a**
19 **medical marijuana dispensary registration system for the purpose of tracking**
20 **and regulating the transfer of:**

21 **“(A) Usable marijuana, immature marijuana plants and seeds from regis-**
22 **try identification cardholders, designated primary caregivers and persons**
23 **responsible for marijuana grow sites to medical marijuana dispensaries;**

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

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

1 “(b) A person may not operate an establishment for the purpose of pro-
2 viding the services described in paragraph (a) of this subsection unless the
3 person is registered under this section.

4 “(2) The registration system established under subsection (1) of this sec-
5 tion must require an applicant for a medical marijuana dispensary to submit
6 an application to the authority that includes:

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

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

14 “(c) The address of the medical marijuana dispensary;

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

19 “(e) Documentation, as required by the authority by rule, that demon-
20 strates the medical marijuana dispensary meets the requirements of sub-
21 section (3) of this section; and

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

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

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

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

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

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

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

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

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

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

9 “(4)(a) The authority shall conduct a criminal records check under ORS
10 181A.195 for each individual named in an application submitted under sub-
11 section (2) of this section.

12 “(b) An individual convicted for the manufacture or delivery of a con-
13 trolled substance in Schedule I or Schedule II may not own or be responsible
14 for a medical marijuana dispensary for two years from the date the individ-
15 ual is convicted.

16 “(c) An individual convicted more than once for the manufacture or de-
17 livery of a controlled substance in Schedule I or Schedule II may not own
18 or be responsible for a medical marijuana dispensary.

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

27 “(6) A medical marijuana dispensary that is registered under this section
28 is not required to register with the State Board of Pharmacy under ORS
29 475.125.

30 “(7) The individual or individuals responsible for a medical marijuana

1 dispensary shall maintain documentation of each transfer of usable
2 marijuana, medical cannabinoid products, cannabinoid concentrates,
3 cannabinoid extracts, immature marijuana plants and seeds.

4 “(8) The authority may inspect:

5 “(a) The premises of a proposed medical marijuana dispensary or a regis-
6 tered medical marijuana dispensary to ensure compliance with this section
7 and ORS 475B.453 and any rules adopted under this section or ORS 475B.453;
8 and

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

11 “(9) Subject to the provisions of ORS chapter 183, the authority may re-
12 fuse to register an applicant under this section or may suspend or revoke the
13 registration of a medical marijuana dispensary if the authority determines
14 that the applicant, the owner of the medical marijuana dispensary, a person
15 responsible for the medical marijuana dispensary, or an employee of the
16 medical marijuana dispensary, violated a provision of ORS 475B.400 to
17 475B.525, a rule adopted under ORS 475B.400 to 475B.525 or an ordinance
18 adopted pursuant to ORS 475B.500.

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

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

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

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

28 “(d) Require that usable marijuana, medical cannabinoid products,
29 cannabinoid concentrates, cannabinoid extracts and immature marijuana
30 plants transferred by a medical marijuana dispensary be tested to ensure the

1 public health and safety; and

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

4 **“SECTION 31. Section 29 of this 2016 Act and the amendments to**
5 **ORS 475B.450 by section 30 of this 2016 Act become operative on March**
6 **1, 2016.**

7

8 **“MARIJUANA ABUSE PREVENTION**

9

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

11 “336.241. (1) As part of the comprehensive alcohol and drug abuse policy
12 and implementation plan described in ORS 336.222, the Oregon Health Au-
13 thority, State Board of Education and Alcohol and Drug Policy Commission
14 shall collaborate on developing **supplemental curricula for** marijuana
15 abuse prevention [*curricula*] and public information programs for students,
16 parents, teachers, administrators and school board members.

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

20

21 **“REPEAL OF AUTHORITY TO ISSUE**
22 **MARIJUANA PRODUCTION LICENSES**
23 **TO MARIJUANA GROW SITES**

24

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

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

27 “475B.285. (1) An Oregon Liquor Control Commission regulatory specialist
28 has the authority as provided in ORS 133.005 to 133.400, 133.450, 133.525 to
29 133.703, 133.721 to 133.739, 161.235, 161.245 and 475B.010 to 475B.395, ORS
30 chapter 153 and chapter 743, Oregon Laws 1971, to conduct inspections and

1 investigations, make seizures, aid in prosecutions for offenses, issue citations
2 for violations and otherwise enforce the provisions of ORS 475B.010 to
3 475B.395, any rule adopted under ORS 475B.010 to 475B.395 and any other
4 law of this state that charges the commission with a duty, function or power
5 related to marijuana, including enforcing any provision of a law or rule re-
6 lated to individuals who use false identification for purposes of purchasing
7 or possessing a marijuana item or who engage in illegal activity on or near
8 a [*licensed*] premises.

9 “(2) A commission regulatory specialist may not:

10 “(a) Be sworn in as a federal law enforcement official and act in that
11 capacity while performing duties under this section.

12 “(b) Carry a firearm.

13 “(c) Conduct inspections and investigations of a primary residence or for
14 purposes of ensuring compliance with ORS 475B.245 and 475B.375.

15 “(d) [*Except as provided in ORS 475B.080,*] Conduct inspections and in-
16 vestigations for purposes of ensuring compliance with ORS 475B.400 to
17 475B.525.

18

19

“UNIT CAPTIONS

20

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

25

26

“EMERGENCY CLAUSE

27

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

