

WORK DRAFT
NOT FOR DISTRIBUTION

HB 2198-1
(LC 1468)
3/4/17 (MBM/)

Requested by JOINT COMMITTEE ON MARIJUANA REGULATION

**PROPOSED AMENDMENTS TO
HOUSE BILL 2198**

1 On page 1 of the printed bill, line 23, after “475B.295,” insert
2 “475B.298,”.

3 On page 2, line 3, delete “475B.517,”.

4 In line 5, after “475B.645,” insert “475B.655,”.

5 In line 12, after “475B.505,” insert “475B.517,”.

6 Delete lines 17 through 45 and delete pages 3 through 186 and insert:
7

8 **“NAME OF COMMISSION AND ACCOUNT**

9 **“EFFECTIVE 91ST DAY AFTER ADJOURNMENT SINE DIE**

10

11 **SECTION 1. (1)(a) The amendments to ORS 471.705 by section 2 of**
12 **this 2017 Act are intended to change the name of the ‘Oregon Liquor**
13 **Control Commission’ to the ‘Oregon Liquor Control and Cannabis**
14 **Commission.’**

15 **“(b) For the purpose of harmonizing and clarifying statutory law,**
16 **the Legislative Counsel may substitute for words designating the**
17 **‘Oregon Liquor Control Commission,’ wherever they occur in statutory**
18 **law, other words designating the ‘Oregon Liquor Control and Cannabis**
19 **Commission.’**

20 **“(2)(a) The amendments to ORS 471.805 by section 3 of this 2017 Act**
21 **are intended to change the name of the ‘Oregon Liquor Control Com-**

1 mission Account' to the 'Oregon Liquor Control and Cannabis Com-
2 mission Account.'

3 "(b) For the purpose of harmonizing and clarifying statutory law,
4 the Legislative Counsel may substitute for words designating the
5 'Oregon Liquor Control Commission Account,' wherever they occur in
6 statutory law, other words designating the 'Oregon Liquor Control and
7 Cannabis Commission Account.'

8 "(3)(a) Notwithstanding subsections (1) and (2) of this section, the
9 Oregon Liquor Control and Cannabis Commission may continue to use
10 the names 'Oregon Liquor Control Commission' and 'Oregon Liquor
11 Control Commission Account' for any purpose, including for use in
12 any rule, document, record or proceeding of the commission or for use
13 in any contract entered into by the commission, until June 30, 2019.

14
15 "SECTION 2. ORS 471.705 is amended to read:

16 "471.705. (1) There is created the Oregon Liquor Control **and Cannabis**
17 Commission, consisting of five [*persons*] **commissioners** appointed by the
18 Governor. One member [*shall*] **must** be from among the [*bona fide*] residents
19 of each congressional district of [*the*] **this** state. One member [*shall*] **must**
20 be from the food and alcoholic beverage retail industry. Not more than three
21 commissioners [*shall*] **may** be of the same political party [*and one shall be*
22 *designated by*]. The Governor **shall designate one member** to be chair-
23 person of the commission. The commissioners are entitled to compensation
24 and expenses as provided in ORS 292.495.

25 "(2) Each commissioner at the time of appointment [*and qualification*
26 *shall*] **must** be a resident of this state and [*shall*] **must** have resided in this
27 state for at least five years next preceding appointment and qualification.
28 [*The*] **Each** commissioner [*shall*] **must** be an elector [*therein*] **in this state**
29 and **must be** not less than 30 years of age. [*A commissioner shall cease to*
30 *hold office*] **The term of office of a commissioner terminates** if the com-

1 commissioner ceases to possess the residency or industry qualification for ap-
2 pointment [*and*]. **If the term of office of a commissioner terminates**
3 **under this subsection**, the Governor shall appoint a qualified individual to
4 complete the unexpired term **of the commissioner**.

5 “[~~(2)~~] **(3)** The term of office of a commissioner [*shall be*] **is** four years from
6 the time of appointment and qualification and until a successor qualifies **for**
7 **appointment**. The terms of the commissioners [*shall*] commence April 1. [*In*
8 *case any*] **If a commissioner is allowed to hold [*over*] office** after the expi-
9 ration of [*the*] **a term**, the [*successor shall be appointed*] **Governor shall**
10 **appoint the successor** for the [*balance*] **remainder** of the unexpired term.
11 [*Vacancies in the commission shall be filled by the Governor for the unexpired*
12 *term.*] **If a vacancy occurs in the commission, the Governor shall ap-**
13 **point the successor for the remainder of the unexpired term.** Each
14 commissioner is eligible for reappointment, but [*no person shall be*] **an in-**
15 **dividual is not** eligible to serve for more than two full terms.

16 “[~~(3)~~] **(4)** [*All*] Appointments of commissioners by the Governor **under**
17 **this section** are subject to confirmation by the Senate pursuant to section
18 4, Article III, Oregon Constitution.

19 **“SECTION 3.** ORS 471.805 is amended to read:

20 “471.805. (1) Except as otherwise provided in ORS 471.810 (2), all money
21 collected by the Oregon Liquor Control **and Cannabis** Commission under
22 this chapter and ORS chapter 473 and privilege taxes shall be remitted to the
23 State Treasurer who shall credit it to a suspense account of the commission.
24 Whenever the commission determines that moneys have been received by it
25 in excess of the amount legally due and payable to the commission or that
26 it has received money to which it has no legal interest, or that any license
27 fee or deposit is properly refundable, the commission is authorized and di-
28 rected to refund such money by check drawn upon the State Treasurer and
29 charged to the suspense account of the commission. After withholding
30 refundable license fees and such sum, not to exceed \$250,000, as it considers

1 necessary as a revolving fund for a working cash balance for the purpose of
2 paying travel expenses, advances, other miscellaneous bills and extraordinary
3 items which are payable in cash immediately upon presentation, the com-
4 mission shall direct the State Treasurer to transfer the money remaining in
5 the suspense account to the Oregon Liquor Control **and Cannabis** Commis-
6 sion Account in the General Fund. Moneys in the Oregon Liquor Control
7 **and Cannabis** Commission Account are continuously appropriated to the
8 commission to be distributed and used as required or allowed by law.

9 “(2) All necessary expenditures of the commission incurred in carrying
10 out the purposes required of the commission by law, including the salaries
11 of its employees, purchases made by the commission and such sums necessary
12 to reimburse the \$250,000 revolving fund, shall be audited and paid from the
13 Oregon Liquor Control **and Cannabis** Commission Account in the General
14 Fund, upon warrants drawn by the Oregon Department of Administrative
15 Services, pursuant to claims duly approved by the commission.

16
17 **THE OREGON MEDICAL MARIJUANA ACT**

18
19 (Transitional Provisions)

20 (Effective 91st Day After Adjournment sine die)

WORK DRAFT
NOT FOR DISTRIBUTION

21
22 **“SECTION 4. (1) Notwithstanding ORS 475B.415, 475B.420, 475B.435**
23 **and 475B.450, on and after the effective date of this 2017 Act, the**
24 **Oregon Health Authority may not register a marijuana grow site un-**
25 **der ORS 475B.420, a marijuana processing site under ORS 475B.435 or**
26 **a medical marijuana dispensary under ORS 475B.450.**

27 **(2) This section does not prohibit, before the operative date specified**
28 **in section 357 of this 2017 Act, the authority from renewing the regis-**
29 **tration of a marijuana grow site registered under ORS 475B.420, a**
30 **marijuana processing site registered under ORS 475B.435 or a medical**

1 marijuana dispensary registered under ORS 475B.450.

2 **“SECTION 5.** On the operative date specified in section 357 of this
3 2017 Act, the exemption from criminal liability for possession, delivery
4 or manufacture of marijuana, aiding and abetting another in the pos-
5 session, delivery or manufacture of marijuana, or any other criminal
6 offense in which possession, delivery or manufacture of marijuana is
7 an element ceases for:

8 **“(1)** A person who is responsible for or is employed by a marijuana
9 grow site registered under ORS 475B.420.

10 **“(2)** A person who owns, is responsible for or is employed by a
11 marijuana processing site registered under ORS 475B.435.

12 **“(3)** A person who owns, is responsible for or is employed by a
13 medical marijuana dispensary registered under ORS 475B.450.

14 **“SECTION 6.** Section 25, chapter 24, Oregon Laws 2016, is amended to
15 read:

16 **“Sec. 25.** (1) The Oregon Liquor Control and Cannabis Commission shall
17 adopt by rule procedures by which:

18 **“(a)** A person responsible for a marijuana grow site registered under ORS
19 475B.420, or, if multiple persons responsible for a marijuana grow site reg-
20 istered under ORS 475B.420 are located at the same address, each person
21 responsible for a marijuana grow site located at the address, may apply for
22 a license to be issued under ORS 475B.070 to transition, **before the oper-**
23 **ative date specified in section 357 of this 2017 Act,** from being registered
24 by the Oregon Health Authority to being licensed by the commission;

25 **“(b)** A marijuana processing site registered under ORS 475B.435 may apply
26 for a license to be issued under ORS 475B.090 to transition, **before the**
27 **operative date specified in section 357 of this 2017 Act,** from being reg-
28 istered by the authority to being licensed by the commission; and

29 **“(c)** A medical marijuana dispensary registered under ORS 475B.450 may
30 apply for a license to be issued under ORS 475B.110 to transition, **before**

1 **the operative date specified in section 357 of this 2017 Act**, from being
2 registered by the authority to being licensed by the commission.

3 “(2)(a) In adopting rules under this section, the commission shall adopt,
4 at a minimum, procedures by which the inventory possessed by a person re-
5 sponsible for a marijuana grow site, a marijuana processing site or a medical
6 marijuana dispensary on the date on which the person responsible for a
7 marijuana grow site, the marijuana processing site or the medical marijuana
8 dispensary is first subject to tracking by the commission under ORS
9 475B.150:

10 “(A) May be delivered [*to a premises for which a license has been issued*
11 *under ORS 475B.090, 475B.100 or 475B.110*] **as allowed under ORS**
12 **475B.160**; or

13 “(B) May be sold to consumers by marijuana retailers that hold a license
14 **issued** under ORS 475B.110.

15 “(b) Procedures adopted under this subsection must require a person re-
16 sponsible for a marijuana grow site registered under ORS 475B.420, or, if
17 multiple persons responsible for a marijuana grow site registered under ORS
18 475B.420 are located at the same address, each person responsible for a
19 marijuana grow site located at the address, to return to an individual to
20 whom a registry identification card has been issued under ORS 475B.415, and
21 for whom the person or persons are producing marijuana, all the marijuana
22 and usable marijuana owned by the individual, except as otherwise allowed
23 under a personal agreement entered into under ORS 475B.425[.]:

24 “(A) At the time that the person or the persons receive a license under
25 ORS 475B.070; or

26 “(B) **Before the operative date specified in section 357 of this 2017**
27 **Act.**

28 **“SECTION 7. Sections 8 to 10 of this 2017 Act are added to and made**
29 **a part of ORS 475B.010 to 475B.395.**

30 **“SECTION 8. (1) On or before the operative date specified in section**

1 357 of this 2017 Act, the Oregon Liquor Control and Cannabis Com-
2 mission shall issue a license to, or deny issuance of a license to, any
3 person applying for licensure under ORS 475B.040 if:

4 “(a) The person is applying for a license to produce marijuana under
5 ORS 475B.070;

6 “(b) The premises for which licensure is sought is a premises that
7 is registered as a marijuana grow site under ORS 475B.420;

8 “(c) The premises for which licensure is sought is used to produce
9 25 or more than 25 mature marijuana plants on the date that the
10 person applies for licensure; and

11 “(d) The person applies for licensure on or before November 15, 2017.

12 “(2) The Oregon Liquor Control and Cannabis Commission is not
13 obligated to issue a license to, or deny issuance of a license to, a per-
14 son applying for licensure under ORS 475B.040 if the person does not
15 apply for licensure on or before November 15, 2017.

16 SECTION 9. (1) The Oregon Liquor Control and Cannabis Com-
17 mission shall issue a pre-licensure operations certificate to any person
18 applying for licensure under ORS 475B.040 if:

19 “(a) The person is applying for a license to produce marijuana under
20 ORS 475B.070;

21 “(b) The premises for which licensure is sought is a premises that
22 is registered as a marijuana grow site under ORS 475B.420;

23 “(c) The premises for which licensure is sought is used to produce
24 24 or fewer than 24 mature marijuana plants on the date that the
25 person applies for licensure; and

26 “(d) The person applies for licensure on or before November 15, 2017.

27 “(2) The commission shall use the system developed and maintained
28 pursuant to ORS 475B.150 to track the production of marijuana and the
29 sale or transfer of usable marijuana by a person certified under this
30 section.

1 **“(3)(a) On the date that the commission begins tracking the pro-**
2 **duction of marijuana and the sale or transfer of usable marijuana by**
3 **a person certified under this section, the person:**

4 **“(A) Has all of the rights and privileges prescribed by ORS 475B.010**
5 **to 475B.395, 475B.550 to 475B.590 and 475B.600 to 475B.655 for a**
6 **marijuana producer that holds a license issued under ORS 475B.070,**
7 **including the rights and privileges related to delivering and receiving**
8 **marijuana items as described in ORS 475B.160;**

9 **“(B) Except as provided in paragraph (b) of this subsection, has all**
10 **of the duties prescribed by ORS 475B.010 to 475B.395, 475B.550 to**
11 **475B.590 and 475B.600 to 475B.655 for a marijuana producer that holds**
12 **a license issued under ORS 475B.070; and**

13 **“(C) Except as provided in paragraph (b) of this subsection, is sub-**
14 **ject to all of the provisions of ORS 475B.010 to 475B.395, 475B.550 to**
15 **475B.590 and 475B.600 to 475B.655 and all of the rules adopted under**
16 **ORS 475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to 475B.655**
17 **in the same manner that a marijuana producer that holds a license**
18 **issued under ORS 475B.070 is subject those provisions and rules.**

19 **“(b) The commission by rule may exclude a person certified under**
20 **this section from a duty, provision or rule described in paragraph**
21 **(a)(B) or (C) of this subsection.**

22 **“(4)(a) The commission may discipline a person certified under this**
23 **section for violating a duty, provision or rule described in subsection**
24 **(3)(a)(B) or (C) of this section.**

25 **“(b) Disciplinary action taken under this subsection may take the**
26 **form of revoking a certificate issued under this section.**

27 **“(c) If the commission revokes a certificate issued under this sec-**
28 **tion, the commission shall provide the person against whom discipli-**
29 **nary action is sought a hearing.**

30 **“(d) A hearing held under this subsection is not subject to the re-**

1 requirements for contested case proceedings under ORS chapter 183.

2 “(5) Notwithstanding section 5 of this 2017 Act, if the commission
3 has not issued a license to, or denied issuance of a license to, a person
4 certified under this section by the operative date specified in section
5 357 of this 2017 Act, the person remains exempt from criminal liability
6 for possession, delivery or manufacture of marijuana, aiding and
7 abetting another in the possession, delivery or manufacture of
8 marijuana, or any other criminal offense in which possession, delivery
9 or manufacture of marijuana is an element, until the commission:

10 (a) Issues a license to, or denies issuance of a license to, the person;

11 or

12 (b) Revokes the certificate issued to the person.

13 **SECTION 10.** (1) A premises is not subject to ORS 475B.063 or any
14 land use ordinance or rule of a local government that would otherwise
15 prohibit or restrict the production of marijuana on the premises if:

16 “(a) The premises is registered as a marijuana grow site under ORS
17 475B.420 on the date immediately preceding the date on which the
18 Oregon Liquor Control and Cannabis Commission issues a license to
19 produce marijuana on the premises;

20 “(b) The premises is used to lawfully produce 24 or fewer than 24
21 mature marijuana plants on the date immediately preceding the date
22 on which the commission issues a license to produce marijuana on the
23 premises;

24 “(c) The grow canopy used to produce mature marijuana plants on
25 the premises does not exceed 2,500 square feet, on and after the date
26 on which the commission issues a license to produce marijuana on the
27 premises; and

28 “(d) The license to produce marijuana on the premises does not
29 lapse and is not suspended or revoked, on and after the date on which
30 the commission issues a license to produce marijuana on the premises.

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(Plant Limits)
(Effective 91st Day Following Adjournment Sine Die)

“SECTION 11. Section 12 of this 2017 Act is added to and made a part of ORS 475B.400 to 475B.525.

“SECTION 12. (1) The number of mature marijuana plants that a registry identification cardholder and the designated primary caregiver of the registry identification cardholder may jointly possess under ORS 475B.428, and the amount of usable marijuana that a registry identification cardholder and the designated primary caregiver of the registry identification cardholder may jointly possess under ORS 475B.430, is in addition to, and not in lieu of, the number of marijuana plants and the amount of usable marijuana that may be possessed at a household as described in ORS 475B.245.

“(2) The number of immature marijuana plants and amount of medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts that a registry identification cardholder or designated primary caregiver of a registry identification cardholder may possess under ORS 475B.400 to 475B.525 are not limited by ORS 475B.245.

(Amendments)
(Effective 91st Day After Adjournment Sine Die)

“SECTION 13. ORS 475B.410 is amended to read:

“475B.410. As used in ORS 475B.400 to 475B.525:

“(1) ‘Attending physician’ means a physician licensed under ORS chapter 677 who has primary responsibility for the care and treatment of a person

1 diagnosed with a debilitating medical condition.

2 “(2) ‘Cannabinoid’ means any of the chemical compounds that are the
3 active constituents of marijuana.

4 “(3) ‘Cannabinoid concentrate’ means a substance obtained by separating
5 cannabinoids from marijuana by:

6 “(a) A mechanical extraction process;

7 “(b) A chemical extraction process using a nonhydrocarbon-based solvent,
8 such as **water**, vegetable glycerin, vegetable oils, animal fats, isopropyl al-
9 cohol or ethanol;

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

13 “(d) Any other process identified by the Oregon Health Authority, in
14 consultation with the Oregon Liquor Control **and Cannabis** Commission, by
15 rule.

16 “(4) ‘Cannabinoid edible’ means food or potable liquid into which a
17 cannabinoid concentrate, cannabinoid extract or dried leaves or flowers of
18 marijuana have been incorporated.

19 “(5) ‘Cannabinoid extract’ means a substance obtained by separating
20 cannabinoids from marijuana by:

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

23 “(b) A chemical extraction process using [*the hydrocarbon-based solvent*]
24 carbon dioxide, if the process uses high heat or pressure; or

25 “(c) Any other process identified by the [*Oregon Health*] authority, in
26 consultation with the [*Oregon Liquor Control*] commission, by rule.

27 “(6) ‘Debilitating medical condition’ means:

28 “(a) Cancer, glaucoma, a degenerative or pervasive neurological condi-
29 tion, positive status for human immunodeficiency virus or acquired immune
30 deficiency syndrome, or a side effect related to the treatment of those med-

1 ical conditions;

2 “(b) A medical condition or treatment for a medical condition that
3 produces, for a specific patient, one or more of the following:

4 “(A) Cachexia;

5 “(B) Severe pain;

6 “(C) Severe nausea;

7 “(D) Seizures, including seizures caused by epilepsy; or

8 “(E) Persistent muscle spasms, including spasms caused by multiple
9 sclerosis;

10 “(c) Post-traumatic stress disorder; or

11 “(d) Any other medical condition or side effect related to the treatment
12 of a medical condition adopted by the Oregon Health Authority by rule or
13 approved by the authority pursuant to a petition filed under ORS 475B.517.

14 “(7)(a) ‘Delivery’ has the meaning given that term in ORS 475.005.

15 “(b) ‘Delivery’ does not include transfer of marijuana by a registry iden-
16 tification cardholder to another registry identification cardholder if no con-
17 sideration is paid for the transfer.

18 “(8)(a) ‘Designated primary caregiver’ means an individual:

19 “(A) Who is 18 years of age or older;

20 “(B) Who has significant responsibility for managing the well-being of a
21 person who has been diagnosed with a debilitating medical condition; and

22 “(C) Who is designated as the person responsible for managing the well-
23 being of a person who has been diagnosed with a debilitating medical con-
24 dition on that person’s application for a registry identification card or in
25 other written notification submitted to the authority.

26 “(b) ‘Designated primary caregiver’ does not include a person’s attending
27 physician.

28 “(9) ‘High heat’ means a temperature exceeding 180 degrees.

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

1 “(11)(a) ‘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 “(b) ‘Marijuana’ does not include industrial hemp, as defined in ORS
5 571.300.

6 “(12) ‘Marijuana grow site’ means a location registered under ORS
7 475B.420 where marijuana is produced for use by a registry identification
8 cardholder.

9 “(13) ‘Marijuana processing site’ means a marijuana processing site reg-
10 istered under ORS 475B.435 or a site for which an applicant has submitted
11 an application for registration under ORS 475B.435.

12 “(14) ‘Mature marijuana plant’ means a marijuana plant that is not an
13 immature marijuana plant.

14 “(15)(a) ‘Medical cannabinoid product’ means a cannabinoid edible and
15 any other product intended for human consumption or use, including a
16 product intended to be applied to a person’s skin or hair, that contains
17 cannabinoids or dried leaves or flowers of marijuana.

18 “(b) ‘Medical cannabinoid product’ does not include:

19 “(A) Usable marijuana by itself;

20 “(B) A cannabinoid concentrate by itself;

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

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

23 “(16) ‘Medical marijuana dispensary’ means a medical marijuana
24 dispensary registered under ORS 475B.450 or a site for which an applicant
25 has submitted an application for registration under ORS 475B.450.

26 “(17) ‘Medical use of marijuana’ means the production, processing, pos-
27 session, delivery or administration of marijuana, or use of paraphernalia
28 used to administer marijuana, to mitigate the symptoms or effects of a de-
29 bilitating medical condition.

30 “(18) ‘Person designated to produce marijuana by a registry identification

1 cardholder' means a person designated to produce marijuana by a registry
2 identification cardholder under ORS 475B.420 who produces marijuana for a
3 registry identification cardholder at an address other than the address where
4 the registry identification cardholder resides or at an address where more
5 than 12 mature marijuana plants are produced.

6 "(19) 'Process' means the compounding or conversion of marijuana into
7 medical cannabinoid products, cannabinoid concentrates or cannabinoid ex-
8 tracts.

9 "(20) 'Production' means:

10 "(a) Planting, cultivating, growing, trimming or harvesting marijuana; or

11 "(b) Drying marijuana leaves or flowers.

12 "(21) 'Registry identification card' means a document issued by the
13 Oregon Health Authority under ORS 475B.415 that identifies a person au-
14 thorized to engage in the medical use of marijuana and, if the person has a
15 designated primary caregiver under ORS 475B.418, the person's designated
16 primary caregiver.

17 "(22) 'Registry identification cardholder' means a person to whom a reg-
18 istry identification card has been issued under ORS 475B.415.

19 "(23)(a) 'Usable marijuana' means the dried leaves and flowers of
20 marijuana.

21 "(b) 'Usable marijuana' does not include:

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

23 "(B) Waste material that is a by-product of producing marijuana.

24 "(24) 'Written documentation' means a statement signed by the attending
25 physician of a person diagnosed with a debilitating medical condition or
26 copies of the person's relevant medical records.

27 "**SECTION 14.** ORS 475B.505 is amended to read:

28 "475B.505. Upon request the State Department of Agriculture and the
29 Oregon Liquor Control **and Cannabis** Commission, pursuant to an agree-
30 ment or otherwise, shall assist the Oregon Health Authority in implementing

1 and enforcing the provisions of ORS 475B.400 to 475B.525 and rules adopted
2 under the provisions of ORS 475B.400 to 475B.525.

3 **SECTION 15.** ORS 475B.507 is amended to read:

4 "475B.507. The Oregon Health Authority, the State Department of Agri-
5 culture and the Oregon Liquor Control **and Cannabis** Commission, and the
6 officers, employees and agents of the authority, department and commission,
7 are immune from any cause of action for the performance of, or the failure
8 to perform, duties required by ORS 475B.400 to 475B.525.

9 **SECTION 16.** ORS 475B.510 is amended to read:

10 "475B.510. The Oregon Health Authority, the State Department of Agri-
11 culture and the Oregon Liquor Control **and Cannabis** Commission may
12 possess, seize or dispose of marijuana, usable marijuana, medical cannabinoid
13 products, cannabinoid concentrates and cannabinoid extracts as is necessary
14 for the authority to ensure compliance with and enforce the provisions of
15 ORS 475B.400 to 475B.525 and any rule adopted under ORS 475B.400 to
16 475B.525.

17
18 **(Medical Use of Cannabis Board as Advisory Body)**

19 **(Operative January 1, 2018)**

20
21 **SECTION 17.** Section 13 is added to and made a part of ORS
22 475B.400 to 475B.525.

23 **SECTION 18.** (1) For the purpose of advising the Oregon Health
24 Authority with respect to administering ORS 475B.400 to 475B.525, the
25 **Medical Use of Cannabis Board** is established within the Oregon Health
26 **Authority.**

27 **"(2)(a) The board consists of the following nine members appointed**
28 **by the Governor:**

29 **"(A) Three licensees, as defined in ORS 475B.015, each of whom is**
30 **primarily engaged in the production, processing or sale of medical**

1 grade cannabinoid products, cannabinoid concentrates or cannabinoid
2 extracts, as those terms are defined in ORS 475B.015;

3 “(B) Three attending physicians; and

4 “(C) Three members of the public.

5 “(b) Of the members appointed to the board under this subsection,
6 at least one must be registry identification cardholder, but not more
7 than three may be registry identification cardholders.

8 “(3) The board shall provide the authority with advice on adminis-
9 tering and enforcing ORS 475B.400 to 475B.525.

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

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

14 “(6) The board shall elect one of its members to serve as chair-
15 person.

16 “(7) The board shall meet at times and places specified by the call
17 of the chairperson or of a majority of the members of the board.

18 “(8) The term of office of each member of the board is four years,
19 but a member serves at the pleasure of the Governor. Before the ex-
20 piration of the term of a member, the Governor shall appoint a suc-
21 cesssor whose term begins July 1 next following. A member is eligible
22 for reappointment, but may not serve consecutive terms. If there is
23 a vacancy for any cause, the Governor shall make an appointment to
24 become immediately effective for the unexpired term.

25 “(9) Members of the board are entitled to compensation and re-
26 imbursement for expenses as provided in ORS 292.495.

27 **“SECTION 19. Notwithstanding the term of office specified by sec-**
28 **tion 18 of this 2017 Act, of the members first appointed to the Medical**
29 **Use of Cannabis Board:**

30 “(1) Three shall serve for terms ending January 1, 2020;

1 **“(2) Three shall serve for terms ending January 1, 2021; and**

2 **“(3) Three shall serve for terms ending January 1, 2022.**

3
4 **(Registry Identification Cardholder Database)**

5 **(Operative January 1, 2018)**

6
7 **“SECTION 20. Section 21 of this 2017 Act is added to and made a**
8 **part of ORS 475B.400 to 475B.525.**

9 **“SECTION 21. (1) The Oregon Health Authority shall establish,**
10 **maintain and operate an electronic system for the keeping of infor-**
11 **mation received by the authority under ORS 475B.415 or included on**
12 **a registry identification card issued under ORS 475B.415.**

13 **“(2) The authority may contract with a state agency or private en-**
14 **tity to ensure the effective establishment, maintenance or operation**
15 **of the electronic system.**

16 **“(3) Except as provided in subsection (4) of this section, information**
17 **kept in the electronic system is confidential and not subject to public**
18 **disclosure under ORS 192.410 to 192.505. Except as provided in sub-**
19 **section (4) of this section, the authority may not disclose the infor-**
20 **mation for any reason.**

21 **“(4) The authority shall establish the electronic system in a manner**
22 **that allows the Oregon Liquor Control and Cannabis Commission and**
23 **the Department of Revenue to remotely access the electronic system.**
24 **Information disclosed to the commission and the department under**
25 **this subsection remains confidential and not subject to public disclo-**
26 **sure under ORS 192.410 to 192.505. The commission and the department**
27 **may not disclose the information for any reason.**

28 **“(5) The electronic system must be immediately accessible by the**
29 **commission and the department 24 hours a day, seven days a week.**

30

1 **(Medical Use of Cannabis Board as Rulemaking Body)**
2 **(Operative March 30, 2019)**

3
4 **“SECTION 22.** Section 18 of this 2017 Act is amended to read:

5 **“Sec. 13.** (1) For the purpose of [*advising the Oregon Health Authority*
6 *with respect to*] administering ORS 475B.400 to 475B.525, the Medical Use of
7 Cannabis Board is established within the Oregon Health Authority.

8 “(2)(a) The board consists of the following nine members appointed by the
9 Governor:

10 “(A) Three licensees, as defined in ORS 475B.015, each of whom is pri-
11 marily engaged in the production, processing or sale of medical grade
12 cannabinoid products, cannabinoid concentrates or cannabinoid extracts, as
13 those terms are defined in ORS 475B.015;

14 “(B) Three attending physicians; and

15 “(C) Three members of the public.

16 “(b) Of the members appointed to the board under this subsection, at least
17 one, but not more than three, must be registry identification cardholders.

18 “[(3)] **(3)(a)** The board shall [*provide the authority with advice on ad-*
19 *ministering and enforcing ORS 475B.400 to 475B.525.*]:

20 **“(A) Administer and enforce ORS 475B.400 to 475B.525.**

21 **“(B) Adopt by rule a process by which a registry identification**
22 **cardholder may petition the board to receive more than three pounds**
23 **of usable marijuana per year or more than 240 grams of cannabinoid**
24 **extracts per year pursuant to ORS 475B.070, 475B.090 and 475B.110 and**
25 **sections 2, 3 and 5, chapter 83, Oregon Laws 2016.**

26 **(b) If the board determines that a registry identification**
27 **cardholder’s debilitating medical condition and economic situation**
28 **necessitate the registry identification cardholder receiving more than**
29 **three pounds of usable marijuana per year or more than 240 grams of**
30 **cannabinoid extracts per year pursuant to ORS 475B.070, 475B.090 and**

1 475B.110 and sections 2, 3 and 5, chapter 83, Oregon Laws 2016, the
2 board shall issue an order specifying the amount of usable marijuana
3 or cannabinoid extracts that the registry identification cardholder may
4 receive.

5 (c) The board shall provide the Oregon Liquor Control and Cannabis
6 Commission with a copy of an order issued under this subsection.

7 “(4) The board may exercise any function or power necessary to
8 administer and enforce ORS 475B.400 to 475B.525, including the power
9 to administer oaths, take depositions and issue subpoenas to compel
10 the attendance of witnesses and the production of documents and
11 other written information.

12 “(5) The board may delegate to the authority any of the functions,
13 duties or powers delegated to the board under ORS 475B.400 to
14 475B.525, except that the board may not delegate any function, duty
15 or power related to the adoption of rules under ORS 475B.400 to
16 475B.525.

17 “[4] (6) A majority of the members of the board constitutes a quorum
18 for the transaction of business.

19 “[5] (7) Official action by the board requires the approval of a majority
20 of the members of the board.

21 “[6] (8) The board shall elect one of its members to serve as chairperson.

22 “[7] (9) The board shall meet at times and places specified by the call
23 of the chairperson or of a majority of the members of the board.

24 “[8] (10) The term of office of each member of the board is four years,
25 but a member serves at the pleasure of the Governor. Before the expiration
26 of the term of a member, the Governor shall appoint a successor whose term
27 begins July 1 next following. A member is eligible for reappointment, but
28 may not serve consecutive terms. If there is a vacancy for any cause, the
29 Governor shall make an appointment to become immediately effective for the
30 unexpired term.

1 “(3) ‘Cannabinoid concentrate’ means a substance obtained by separating
2 cannabinoids from marijuana by:

3 “(a) A mechanical extraction process;

4 “(b) A chemical extraction process using a nonhydrocarbon-based solvent,
5 such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl al-
6 cohol or ethanol;

7 “(c) A chemical extraction process using carbon dioxide, provided that the
8 process does not involve the use of high heat or pressure; or

9 “(d) Any other process identified by the Oregon Health Authority, in
10 consultation with the Oregon Liquor Control and Cannabis Commission, by
11 rule.

12 “(4) ‘Cannabinoid edible’ means food or potable liquid into which a
13 cannabinoid concentrate, cannabinoid extract or dried leaves or flowers of
14 marijuana have been incorporated.

15 “(5) ‘Cannabinoid extract’ means a substance obtained by separating
16 cannabinoids from marijuana by:

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

19 “(b) A chemical extraction process using carbon dioxide, if the process
20 uses high heat or pressure; or

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

23 “(6) ‘Debilitating medical condition’ means:

24 “(a) Cancer, glaucoma, a degenerative or pervasive neurological condi-
25 tion, positive status for human immunodeficiency virus or acquired immune
26 deficiency syndrome, or a side effect related to the treatment of those med-
27 ical conditions;

28 “(b) A medical condition or treatment for a medical condition that
29 produces, for a specific patient, one or more of the following:

30 “(A) Cachexia;

1 “(B) Severe pain;

2 “(C) Severe nausea;

3 “(D) Seizures, including seizures caused by epilepsy; or

4 “(E) Persistent muscle spasms, including spasms caused by multiple
5 sclerosis; **or**

6 “(c) Post-traumatic stress disorder[; *or*].

7 “[*(d) Any other medical condition or side effect related to the treatment of*
8 *a medical condition adopted by the Oregon Health Authority by rule or ap-*
9 *proved by the authority pursuant to a petition filed under ORS 475B.517.]*

10 “(7)(a) ‘Delivery’ has the meaning given that term in ORS 475.005.

11 “(b) ‘Delivery’ does not include transfer of marijuana by a registry iden-
12 tification cardholder to another registry identification cardholder if no con-
13 sideration is paid for the transfer.

14 “(8)(a) ‘Designated primary caregiver’ means an individual:

15 “(A) Who is 18 years of age or older;

16 “(B) Who has significant responsibility for managing the well-being of a
17 person who has been diagnosed with a debilitating medical condition; and

18 “(C) Who is designated as the person responsible for managing the well-
19 being of a person who has been diagnosed with a debilitating medical con-
20 dition on that person’s application for a registry identification card or in
21 other written notification submitted to the [*authority*] **board**.

22 “(b) ‘Designated primary caregiver’ does not include a person’s attending
23 physician.

24 “(9) ‘High heat’ means a temperature exceeding 180 degrees.

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

27 “(11)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae, any
28 part of the plant Cannabis family Cannabaceae and the seeds of the plant
29 Cannabis family Cannabaceae.

30 “(b) ‘Marijuana’ does not include industrial hemp, as defined in ORS

1 571.300.

2 “[(12) ‘*Marijuana grow site*’ means a location registered under ORS
3 475B.420 where marijuana is produced for use by a registry identification
4 cardholder.]

5 “[(13) ‘*Marijuana processing site*’ means a marijuana processing site regis-
6 tered under ORS 475B.435 or a site for which an applicant has submitted an
7 application for registration under ORS 475B.435.]

8 “[(14)] (12) ‘*Mature marijuana plant*’ means a marijuana plant that is not
9 an immature marijuana plant.

10 “[15)(a)] (13)(a) ‘*Medical cannabinoid product*’ means a cannabinoid
11 edible and any other product intended for human consumption or use, in-
12 cluding a product intended to be applied to a person’s skin or hair, that
13 contains cannabinoids or dried leaves or flowers of marijuana.

14 “(b) ‘*Medical 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 “[16) ‘*Medical marijuana dispensary*’ means a medical marijuana
20 dispensary registered under ORS 475B.450 or a site for which an applicant
21 has submitted an application for registration under ORS 475B.450.]

22 “[17)] (14) ‘*Medical use of marijuana*’ means the production, processing,
23 possession, delivery or administration of marijuana, or use of paraphernalia
24 used to administer marijuana, to mitigate the symptoms or effects of a de-
25 bilitating medical condition.

26 “[18) ‘*Person designated to produce marijuana by a registry identification*
27 *cardholder*’ means a person designated to produce marijuana by a registry
28 *identification cardholder* under ORS 475B.420 who produces marijuana for a
29 *registry identification cardholder* at an address other than the address where
30 the *registry identification cardholder* resides or at an address where more than

1 *12 mature marijuana plants are produced.]*

2 “[~~(19)~~] (15) ‘Process’ means the compounding or conversion of marijuana
3 into medical cannabinoid products, cannabinoid concentrates or cannabinoid
4 extracts.

5 “[~~(20)~~] (16) ‘Production’ means:

6 “(a) Planting, cultivating, growing, trimming or harvesting marijuana; or

7 “(b) Drying marijuana leaves or flowers.

8 “[~~(21)~~] (17) ‘Registry identification card’ means a document issued by the
9 [*Oregon Health Authority*] **board** under ORS 475B.415 that identifies a person
10 authorized to engage in the medical use of marijuana and, if the person has
11 a designated primary caregiver under ORS 475B.418, the person’s designated
12 primary caregiver.

13 “[~~(22)~~] (18) ‘Registry identification cardholder’ means a person to whom
14 a registry identification card has been issued under ORS 475B.415.

15 “[~~(23)(a)~~] (19)(a) ‘Usable marijuana’ means the dried leaves and flowers
16 of marijuana.

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

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

19 “(B) Waste material that is a by-product of producing marijuana.

20 “[~~(24)~~] (20) ‘Written documentation’ means a statement signed by the at-
21 tending physician of a person diagnosed with a debilitating medical condition
22 or copies of the person’s relevant medical records.

23 **“SECTION 26.** ORS 475B.415, as amended by section 9, chapter 24,
24 Oregon Laws 2016, and section 1, chapter 107, Oregon Laws 2016, is amended
25 to read:

26 “475B.415. (1) The [*Oregon Health Authority*] **Medical Use of Cannabis**
27 **Board** shall establish a program for the issuance of registry identification
28 cards to applicants who meet the requirements of this section.

29 “(2) The [*authority*] **board** shall issue a registry identification card to an
30 applicant who is 18 years of age or older if the applicant pays a fee in an

1 amount established by the [authority] **board** by rule and submits to the [au-
2 thority] **board** an application containing the following information:

3 “(a) Written documentation from the applicant’s attending physician
4 stating that the attending physician has diagnosed the applicant as having
5 a debilitating medical condition and that the medical use of marijuana may
6 mitigate the symptoms or effects of the applicant’s debilitating medical con-
7 dition;

8 “(b) The name, address and date of birth of the applicant;

9 “(c) The name, address and telephone number of the applicant’s attending
10 physician;

11 “(d) Proof of residency, submitted in a form required by the [authority]
12 **board** by rule;

13 “(e) The name and address of the applicant’s designated primary
14 caregiver, if the applicant is designating a primary caregiver under ORS
15 475B.418; and

16 “[*(f) The information described in ORS 475B.420 (2), if the applicant is*
17 *applying to produce marijuana or designate another person under ORS*
18 *475B.420 to produce marijuana.*]

19 “**(f) The address where the applicant will produce marijuana, if the**
20 **applicant will produce marijuana for personal use under ORS 475B.400**
21 **to 475B.525.**

22 “(3)(a) The [authority] **board** shall issue a registry identification card to
23 an applicant who is under 18 years of age if:

24 “(A) The applicant pays the fee and submits the application described in
25 subsection (2) of this section; and

26 “(B) The custodial parent or legal guardian who is responsible for the
27 health care decisions of the applicant signs and submits to the [authority]
28 **board** a written statement that:

29 “(i) The applicant’s attending physician has explained to the applicant
30 and to the custodial parent or legal guardian the possible risks and benefits

1 of the medical use of marijuana;

2 “(ii) The custodial parent or legal guardian consents to the medical use
3 of marijuana by the applicant;

4 “(iii) The custodial parent or legal guardian agrees to serve as the
5 applicant’s designated primary caregiver; and

6 “(iv) The custodial parent or legal guardian agrees to control the acqui-
7 sition, dosage and frequency of the medical use of marijuana by the appli-
8 cant.

9 “(b) An applicant who is under 18 years of age may not *[apply to]* produce
10 marijuana **for personal use** under *[subsection (2)(f) of this section]* **ORS**
11 **475B.400 to 475B.525.**

12 “(4) The *[authority]* **board** shall:

13 “(a) On the date on which the *[authority]* **board** receives an application
14 described in subsection (2) **or (3)** of this section, issue a receipt to the ap-
15 plicant verifying that the *[authority]* **board** received an application under
16 subsection (2) or (3) of this section; and

17 “(b) Approve or deny an application received under subsection (2) or (3)
18 of this section within 30 days after receiving the application.

19 “(5)(a) If the *[authority]* **board** approves an application **received under**
20 **subsection (2) or (3) of this section**, the *[authority]* **board** shall issue a
21 serially numbered registry identification card to the applicant within five
22 days after approving the application. The registry identification card must
23 include the following information:

24 “(A) The registry identification cardholder’s name, address and date of
25 birth;

26 “(B) The issuance date and expiration date of the registry identification
27 card;

28 “(C) If the registry identification cardholder **has a** designated *[a]* primary
29 caregiver under ORS 475B.418, the name and address of the registry iden-
30 tification cardholder’s designated primary caregiver; and

1 “(D) Any other information required by the [authority] board by rule.

2 “(b) If [the] a registry identification cardholder has a designated [a] pri-
3 mary caregiver under ORS 475B.418, the [authority] board shall issue an
4 identification card to the designated primary caregiver. The identification
5 card must contain the information [required by] described in paragraph (a)
6 of this subsection.

7 “(6) A registry identification cardholder shall:

8 “(a) In a form and manner prescribed by the [authority] board, notify the
9 [authority] board of any change concerning the registry identification
10 cardholder’s:

11 “(A) Name, address or attending physician; or

12 “(B) Designated primary caregiver, including the designation of a primary
13 caregiver made at a time other than at the time of applying for or renewing
14 a registry identification card[; or].

15 “[~~(C) Person responsible for a marijuana grow site, including the desig-~~
16 ~~nation of a person responsible for a marijuana grow site made at a time other~~
17 ~~than at the time of applying for or renewing a registry identification card.~~]

18 “(b) Annually renew the registry identification card by paying a fee in
19 an amount established by the [authority] board by rule and submitting to the
20 [authority] board an application that contains the following information:

21 “(A) Updated written documentation from the registry identification
22 cardholder’s attending physician stating that the registry identification
23 cardholder still has a debilitating medical condition and that the medical use
24 of marijuana may mitigate the symptoms or effects of the registry identifi-
25 cation cardholder’s debilitating medical condition;

26 “(B) The information described in subsection (2)(b) to (f) of this section;
27 and

28 “(C) If the registry identification cardholder is under 18 years of age, a
29 statement signed by the custodial parent or legal guardian of the registry
30 identification cardholder that meets the requirements of subsection (3) of this

1 section.

2 “(7) The [authority] **board** shall:

3 “(a) On the date on which the [authority] **board** receives an application
4 described in subsection (2) of this section, issue a receipt to the applicant
5 verifying that the [authority] **board** received an application under subsection
6 (6)(b) of this section; and

7 “(b) Approve or deny an application received under subsection (6)(b) of
8 this section within 30 days after receiving the application.

9 “(8)(a) If the registry identification cardholder’s attending physician de-
10 termines that the registry identification cardholder no longer has a debili-
11 tating medical condition, or determines that the medical use of marijuana is
12 contraindicated for the registry identification cardholder’s debilitating med-
13 ical condition, the registry identification cardholder shall return the registry
14 identification card to the [authority] **board** within 30 calendar days after
15 receiving notice of the determination.

16 “(b) If, because of circumstances beyond the control of the registry iden-
17 tification cardholder, a registry identification cardholder is unable to obtain
18 a second medical opinion about the registry identification cardholder’s con-
19 tinuing eligibility for the medical use of marijuana before having to return
20 the registry identification card to the [authority] **board**, the [authority]
21 **board** may grant the registry identification cardholder additional time to
22 obtain a second medical opinion.

23 “(9)(a) The [authority] **board** may deny an application for a registry
24 identification card or an application to renew a registry identification card,
25 or may suspend or revoke a registry identification card, if:

26 “(A) The applicant or registry identification cardholder does not provide
27 the information required by this section;

28 “(B) The [authority] **board** determines that the applicant or registry
29 identification cardholder provided false information; or

30 “(C) The [authority] **board** determines that the applicant or registry

1 identification cardholder violated a provision of ORS 475B.400 to 475B.525
2 or a rule adopted under ORS 475B.400 to 475B.525.

3 “(b) If a registry identification card is revoked, any associated identifi-
4 cation card issued under subsection (5)(b) of this section[, or *marijuana grow*
5 *site registration card issued under ORS 475B.420 (6), shall*] also **must** be re-
6 voked.

7 “(c) A person whose application is denied, or whose registry identification
8 card is revoked, under this subsection may not reapply for a registry iden-
9 tification card for six months from the date of the denial or revocation un-
10 less otherwise authorized by the [authority] **board**.

11 “(10)(a) The [authority] **board** may deny a designation of a primary
12 caregiver made under ORS 475B.418, or suspend or revoke an associated
13 identification card issued under subsection (5)(b) of this section, if the [au-
14 thority] **board** determines that the designee or the registry identification
15 cardholder violated a provision of ORS 475B.400 to 475B.525 or a rule
16 adopted under ORS 475B.400 to 475B.525.

17 “(b) A person whose designation has been denied, or whose identification
18 card has been revoked, under this subsection may not be designated as a
19 primary caregiver under ORS 475B.418 for six months from the date of the
20 denial or revocation unless otherwise authorized by the [authority] **board**.

21 “(11)(a) Notwithstanding subsection (2) or (6)(b) of this section, if an ap-
22 plicant for a registry identification card, or a registry identification
23 cardholder applying for renewal of a registry identification card, submits to
24 the [authority] **board** proof of having served in the Armed Forces of the
25 United States, the [authority] **board** may not impose a fee that is greater
26 than \$20 for the issuance or renewal of the registry identification card.

27 “(b) Notwithstanding subsection (6)(b)(A) of this section, the requirement
28 that a registry identification cardholder include in the application to renew
29 a registry identification card updated written documentation from the
30 cardholder’s attending physician regarding the cardholder’s continuing de-

1 bilitating medical condition does not apply to a service-disabled veteran who:

2 “(A) Has been assigned a total and permanent disability rating for com-
3 pensation that rates the veteran as unable to secure or follow a substantially
4 gainful occupation as a result of service-connected disabilities as described
5 in 38 C.F.R. 4.16; or

6 “(B) Has a United States Department of Veterans Affairs total disability
7 rating of 100 percent as a result of an injury or illness that the veteran in-
8 curred, or that was aggravated, during active military service and who re-
9 ceived a discharge or release under other than dishonorable conditions.

10 “(12) For any purpose described in ORS 475B.400 to 475B.525, including
11 exemption from criminal liability under ORS 475B.475, a receipt issued by the
12 [authority] **board** verifying that an application has been submitted to the
13 [authority] **board** under subsection (2), (3) or (6)(b) of this section has the
14 same legal effect as a registry identification card for 30 days following the
15 date on which the receipt was issued to the applicant.

16 “SECTION 27. ORS 475B.418 is amended to read:

17 “475B.418. (1) If a person who is applying for a registry identification card
18 under ORS 475B.415, or who is a registry identification cardholder, chooses
19 to designate, or to change the designation of, a primary caregiver, the person
20 must include the primary caregiver’s name and address:

21 “(a) On the person’s application for a registry identification card;

22 “(b) On the person’s application to renew a registry identification card;

23 or

24 “(c) In a form and manner prescribed by the [authority] **Medical Use of**
25 **Cannabis Board**, in a signed statement notifying the [*Oregon Health Au-*
26 *thority*] **board** of the designation.

27 “(2) A registry identification cardholder may have only one designated
28 primary caregiver at any given time.

29 “(3) If a registry identification cardholder who previously designated a
30 primary caregiver chooses to designate a different primary caregiver, the

1 [authority] board shall notify the previous designee of the new designation
2 and issue an identification card to the newly designated primary caregiver.

3 **“SECTION 28.** ORS 475B.428, as amended by section 23, chapter 24,
4 Oregon Laws 2016, is amended to read:

5 “475B.428. (1) [*Subject to subsection (2) of this section,*] A registry iden-
6 tification cardholder and the designated primary caregiver of the registry
7 identification cardholder may jointly possess:

8 **“(a) Six or fewer mature marijuana plants[.]; and**

9 **“(b) 36 or fewer immature marijuana plants.**

10 **“(2) An address where a registry identification cardholder or the**
11 **designated primary caregiver of a registry identification cardholder**
12 **produce marijuana may only be used to produce:**

13 **“(a) Six or fewer mature marijuana plants; and**

14 **“(b) 36 or fewer immature marijuana plants.**

15 “[*(2)(a) A person may be designated to produce marijuana under ORS*
16 *475B.420 by no more than four registry identification cardholders.*]

17 “[*(b) A person who is designated to produce marijuana by a registry iden-*
18 *tification cardholder may produce no more than six mature marijuana plants*
19 *for a registry identification cardholder who designates the person to produce*
20 *marijuana.*]

21 “[*(3) If the address of a person responsible for a marijuana grow site under*
22 *ORS 475B.420 is located within city limits in an area zoned for residential*
23 *use.*]

24 “[*(a) Except as provided in paragraph (b) of this subsection, no more than*
25 *12 mature marijuana plants may be produced at the address; or*]

26 “[*(b) Subject to subsection (5) of this section, if each person responsible for*
27 *a marijuana grow site located at the address first registered with the Oregon*
28 *Health Authority under ORS 475B.420 before January 1, 2015, no more than*
29 *the amount of mature marijuana plants located at that address on December*
30 *31, 2014, in excess of 12 mature marijuana plants, not to exceed 24 mature*

1 *marijuana plants, may be produced at the address.]*

2 *“(4) If the address of a person responsible for a marijuana grow site under*
3 *ORS 475B.420 is located in an area other than an area described in subsection*
4 *(3) of this section:]*

5 *“(a) Except as provided in paragraph (b) of this subsection, no more than*
6 *48 mature marijuana plants may be produced at the address; or]*

7 *“(b) Subject to subsections (5) and (6) of this section, if each person re-*
8 *sponsible for a marijuana grow site located at the address first registered with*
9 *the authority under ORS 475B.420 before January 1, 2015, no more than the*
10 *amount of mature marijuana plants located at that address on December 31,*
11 *2014, in excess of 48 mature marijuana plants, not to exceed 96 mature*
12 *marijuana plants, may be produced at the address.]*

13 *“(5) If the authority suspends or revokes the registration of a person re-*
14 *sponsible for a marijuana grow site that is located at an address described in*
15 *subsection (3)(b) or (4)(b) of this section:]*

16 *“(a) No more than 12 mature marijuana plants may be subsequently*
17 *produced at any address described in subsection (3) of this section at which*
18 *the person responsible for that marijuana grow site produces marijuana.]*

19 *“(b) No more than 48 mature marijuana plants may be subsequently*
20 *produced at any address described in subsection (4) of this section at which*
21 *the person responsible for that marijuana grow site produces marijuana.]*

22 *“(6) If a registry identification cardholder who designated a person to*
23 *produce marijuana for the registry identification cardholder pursuant to ORS*
24 *475B.420 terminates the designation, the person responsible for the marijuana*
25 *grow site whose designation has been terminated may not be designated to*
26 *produce marijuana by another registry identification cardholder, except that*
27 *the person may be designated by another registry identification cardholder if*
28 *no more than 48 mature marijuana plants are produced at the address for the*
29 *marijuana grow site at which the person produces marijuana.]*

30 *“(7) Subject to the limits described in subsections (2) to (6) of this section,*

1 *if multiple persons responsible for a marijuana grow site under ORS 475B.420*
2 *are located at the same address, the persons designated to produce marijuana*
3 *by registry identification cardholders who are located at that address may*
4 *collectively produce mature marijuana plants for any number of registry iden-*
5 *tification cardholders who designate the persons to produce marijuana.]*

6 “[(8)] **(3)** If a law enforcement officer determines that a registry identifi-
7 cation cardholder[,] **and** the designated primary caregiver of [a] **the** registry
8 identification cardholder[, or a person responsible for a marijuana grow site

9 *under ORS 475B.420 who grows marijuana for a registry identification*
10 *cardholder, possesses]* **jointly possess** a number of [mature] marijuana plants
11 in excess of the quantities specified in **subsection (1) of this section, or**
12 **that an address is being used to produce a number of marijuana plants**
13 **in excess of the quantities specified in subsection (2) of this section,**
14 the law enforcement officer may confiscate only the excess number of [ma-
15 *ture]* marijuana plants.

16 **“SECTION 29.** ORS 475B.430 is amended to read:

17 “475B.430. (1) [*Except as provided in subsection (2) of this section,*] A reg-
18 istry identification cardholder and the designated primary caregiver of the
19 registry identification cardholder may jointly possess no more than 24 ounces
20 of usable marijuana **per mature marijuana plant jointly possessed by the**
21 **registry identification cardholder and the designated primary caregiver**
22 **of the registry identification cardholder.**

23 “[*(2) Subject to subsection (3) of this section, a person designated to produce*
24 *marijuana by a registry identification cardholder may possess the amount of*
25 *usable marijuana that the person harvests from the person’s mature marijuana*
26 *plants, provided that the person may not possess usable marijuana in excess*
27 *of the amount of usable marijuana in the person’s possession as reported to the*
28 *Oregon Health Authority under ORS 475B.423.]*

29 “[*(3) A person designated to produce marijuana by a registry identification*
30 *cardholder may not possess usable marijuana in excess of:*]

1 “[(a) For a marijuana grow site located outdoors, 12 pounds of usable
2 marijuana per mature marijuana plant; or]

3 “[(b) For a marijuana grow site located indoors, six pounds of usable
4 marijuana per mature marijuana plant.]

5 “(2) If a law enforcement officer determines that a registry iden-
6 tification cardholder and the designated primary caregiver of the reg-
7 istry identification cardholder jointly possess an amount of usable
8 marijuana in excess of the quantity specified in subsection (1) of this
9 section, the law enforcement officer may confiscate only the excess
10 amount of usable marijuana.

11 **“SECTION 30.** ORS 475B.433 is amended to read:

12 “475B.433. A person to whom a registry identification card has been is-
13 sued under ORS 475B.415 (5)(a)[,] **or** an identification card has been issued
14 under ORS 475B.415 (5)(b)[, *or a marijuana grow site registration card has*
15 *been issued under ORS 475B.420,*] may not possess marijuana, usable
16 marijuana, medical cannabinoid products, cannabinoid concentrates or
17 cannabinoid extracts in a location other than [*the*] **an** address on file with
18 the [*Oregon Health Authority*] **Medical Use of Cannabis Board** unless the
19 person is carrying the card.

20 **“SECTION 31.** ORS 475B.445 is amended to read:

21 “475B.445. **(1)** [*ORS 475B.435 does not apply to a registry identification*
22 *cardholder or a person who has been designated as a primary caregiver under*
23 *ORS 475B.418 who processes a medical cannabinoid product or a cannabinoid*
24 *concentrate for a registry identification cardholder.*] **A registry identifica-**
25 **tion cardholder may process for the registry identification cardholder’s**
26 **personal use, or a person who is the designated primary caregiver**
27 **under ORS 475B.418 of the registry identification cardholder may pro-**
28 **cess for the registry identification cardholder’s personal use, usable**
29 **marijuana belonging to the registry identification cardholder into a**
30 **medical cannabinoid product or cannabinoid concentrate.**

1 “(2) A registry identification cardholder may not process for the
2 registry identification cardholder’s personal use, and a person who is
3 the designated primary caregiver under ORS 475B.418 of the registry
4 identification cardholder may not process for the registry identifica-
5 tion cardholder’s personal use, usable marijuana belonging to the
6 registry identification cardholder into a cannabinoid extract.

7 “**SECTION 32.** ORS 475B.460 is amended to read:

8 “475B.460. (1)(a) The [*Oregon Health Authority*] **Medical Use of Cannabis**
9 **Board** shall establish and maintain a list of:

10 “(A) The names of persons to whom a registry identification card has been
11 issued under ORS 475B.415; **and**

12 “(B) The names of persons **who are** designated [*as*] primary caregivers
13 under ORS 475B.418[; *and*].

14 “[(C) *The addresses of marijuana grow sites registered under ORS*
15 *475B.420.*]

16 “(b) Except as provided in subsection (2) of this section, the list is confi-
17 dential and not subject to public disclosure under ORS 192.410 to 192.505.

18 “(c) The [*authority*] **board** shall develop a system by which authorized
19 employees of state and local law enforcement agencies may verify that:

20 “(A) A person lawfully possesses a registry identification card; **or**

21 “(B) A person is the designated primary caregiver of a lawful possessor
22 of a registry identification card[; *or*].

23 “[(C) *A location is a registered marijuana grow site.*]

24 “(2) Names, addresses and other identifying information from the list es-
25 tablished and maintained pursuant to subsection (1) of this section may be
26 released to:

27 “(a) Authorized employees of the **Oregon Health Authority** as necessary
28 to perform official duties of the [*authority*] **board**.

29 “(b) Authorized employees of state or local law enforcement agencies who
30 provide to the [*authority*] **board** adequate identification, but only as neces-

1 sary to verify that:

2 “(A) A person lawfully possesses a registry identification card; **or**

3 “(B) A person is the designated primary caregiver of a lawful possessor
4 of a registry identification card[; *or*].

5 “[*(C) A location is a registered marijuana grow site.*]

6 “(3) Authorized employees of state or local law enforcement agencies who
7 obtain identifying information as authorized by this section may not release
8 or use the information for any purpose other than to verify that:

9 “(a) A person lawfully possesses a registry identification card; **or**

10 “(b) A person is the designated primary caregiver of a lawful possessor
11 of a registry identification card[; *or*].

12 “[*(c) A location is a registered marijuana grow site.*]

13 “(4) In addition to releasing information to authorized employees of state
14 or local law enforcement agencies for purposes of verifying information un-
15 der subsection (2)(b) of this section, the [*authority*] **board** may release to
16 authorized employees of state or local law enforcement agencies the mini-
17 mum amount of information necessary to enable an employee to determine
18 whether an individual or location is in compliance with a provision of ORS
19 475B.400 to 475B.525 or a rule adopted under ORS 475B.400 to 475B.525.

20 “(5) If the [*authority*] **board** determines, after conducting an investigation
21 or receiving a complaint of an alleged violation of a provision of ORS
22 475B.400 to 475B.525 or a rule adopted under ORS 475B.400 to 475B.525, that
23 a violation of a provision of ORS 475B.400 to 475B.525 or a rule adopted
24 under ORS 475B.400 to 475B.525 has occurred, the [*authority*] **board** may
25 provide information obtained by the [*authority*] **board**, except for information
26 related to a registry identification cardholder’s debilitating condition, to
27 authorized employees of state or local law enforcement agencies, or to an-
28 other state or local government agency with jurisdiction over the matter.

29 **“SECTION 33.** ORS 475B.475 is amended to read:

30 “475B.475. Except as provided in ORS 475B.478, a person engaged in or

1 assisting in the medical use of marijuana is exempt from the criminal laws
2 of this state for possession, delivery or manufacture of marijuana, aiding and
3 abetting another in the possession, delivery or manufacture of marijuana, or
4 any other criminal offense in which possession, delivery or manufacture of
5 marijuana is an element if:

6 “(1) The person holds a registry identification card.

7 “(2) The person has applied for a registry identification card under ORS
8 475B.415 and the person has proof of written documentation described in ORS
9 475B.415 (2)(a) and proof of the date on which the person submitted the ap-
10 plication to the [*Oregon Health Authority*] **Medical Use of Cannabis**
11 **Board**. An exemption under this subsection applies only until the
12 [*authority*] **board** approves or denies the application.

13 “(3) The person is a designated [*as a*] primary caregiver under ORS
14 475B.418.

15 “[*(4) The person is responsible for or is employed by a marijuana grow site*
16 *registered under ORS 475B.420.*]

17 “[*(5) The person owns, is responsible for, or is employed by, a marijuana*
18 *processing site.*]

19 “[*(6) The person owns, is responsible for, or is employed by, a medical*
20 *marijuana dispensary.*]

21 **SECTION 34.** ORS 475B.478 is amended to read:

22 “475B.478. A person is not exempt from the criminal laws of this state for
23 possession, delivery or manufacture of marijuana, aiding and abetting an-
24 other in the possession, delivery or manufacture of marijuana, or any other
25 criminal offense in which possession, delivery or manufacture of marijuana
26 is an element, and the person may not assert the affirmative defense estab-
27 lished in ORS 475B.480, if the person, in connection with conduct constitut-
28 ing an element of the offense:

29 “(1) Drives under the influence of marijuana as provided in ORS 813.010;

30 “(2) Engages in the medical use of marijuana in a public place, as defined

1 in ORS 161.015, in public view or in a correctional facility, as defined in ORS
2 162.135 (2), or a youth correction facility, as defined in ORS 162.135 (6); or

3 “(3) Delivers marijuana to any individual who the person knows is not in
4 possession of a registry identification card [*or to any individual or entity that*
5 *the person knows has not been designated to receive marijuana or assigned a*
6 *possessory interest in marijuana by an individual in possession of a registry*
7 *identification card*].

8 **“SECTION 35.** ORS 475B.480 is amended to read:

9 “475B.480. (1) Except as provided in ORS 475B.478, a person has an affir-
10 mative defense to a criminal charge of possession, delivery or manufacture
11 of marijuana, or any other criminal offense in which possession, delivery or
12 manufacture of marijuana is an element, if the person charged with the of-
13 fense:

14 “(a) Was diagnosed with a debilitating medical condition within 12
15 months of the date on which the person was arrested and was advised by the
16 person’s attending physician that the medical use of marijuana may mitigate
17 the symptoms or effects of that debilitating medical condition;

18 “(b) Is engaged in the medical use of marijuana; and

19 “(c) Possesses, delivers or manufactures marijuana only in quantities
20 permitted under ORS 475B.428 **and 475B.430.**

21 “(2) A person does not need to lawfully possess a registry identification
22 card to assert the affirmative defense established in this section.

23 “(3) A person engaged in the medical use of marijuana who claims that
24 marijuana provides medically necessary benefits and who is charged with a
25 crime pertaining to the use of marijuana is not precluded from presenting a
26 defense of choice of evils, as set forth in ORS 161.200, or from presenting
27 evidence supporting the necessity of marijuana for treatment of a specific
28 disease or medical condition, provided that:

29 “(a) The person possesses, delivers or manufactures marijuana only as
30 permitted under ORS 475B.428 [(1)] **and 475B.430;** and

1 “(b) The person has taken a substantial step toward complying with the
2 provisions of ORS 475B.400 to 475B.525.

3 “(4) A defendant proposing to use the affirmative defense established in
4 this section in a criminal action shall, not less than five days before the trial
5 *[of the cause,]* **for the criminal action**, file and serve upon the district at-
6 torney a written notice of the intention to assert the affirmative defense. The
7 notice must specifically state the reasons why the defendant is entitled to
8 assert the affirmative defense and the factual basis for the affirmative de-
9 fense. If the defendant fails to file and serve the notice, the defendant is not
10 permitted to assert the affirmative defense at the trial *[of the cause]* **for the**
11 **criminal action** unless the court orders, for good cause, otherwise.

12 “**SECTION 36.** ORS 475B.490, as amended by section 20a, chapter 23,
13 Oregon Laws 2016, is amended to read:

14 “475B.490. (1) Registration under ORS 475B.400 to 475B.525 or possession
15 of proof of registration under ORS 475B.400 to 475B.525 does not constitute
16 probable cause to search the person or property of the registrant or other-
17 wise subject the person or property of the registrant to inspection by a
18 government agency. *[However, the Oregon Health Authority may inspect the*
19 *marijuana grow site of a person designated to produce marijuana by a registry*
20 *identification cardholder, a marijuana processing site registered under ORS*
21 *475B.435, or a medical marijuana dispensary registered under ORS 475B.450,*
22 *at any reasonable time to determine whether the person responsible for the*
23 *marijuana grow site, the person responsible for the marijuana processing site,*
24 *or the person responsible for the medical marijuana dispensary, is in compli-*
25 *ance with ORS 475B.400 to 475B.525 and rules adopted under ORS 475B.400*
26 *to 475B.525.]*

27 “(2) Any property interest possessed, owned or used in connection with
28 the medical use of marijuana or acts incidental to the medical use of
29 marijuana that has been seized by state or local law enforcement officers
30 may not be harmed, neglected, injured or destroyed while in the possession

1 of a law enforcement agency, except that a law enforcement agency has no
2 responsibility to maintain live marijuana plants lawfully seized. Such prop-
3 erty interest may not be forfeited under any provision of law providing for
4 the forfeiture of property, except pursuant to a sentence imposed after con-
5 viction of a criminal offense. Marijuana and equipment or paraphernalia
6 used to produce, process or administer marijuana that was seized by a law
7 enforcement officer shall be returned immediately if the district attorney in
8 whose county the property was seized, or the district attorney's designee,
9 determines that the person from whom the marijuana, equipment or par-
10 aphernalia was seized is entitled to the protections provided by ORS 475B.400
11 to 475B.525. The determination may be evidenced by a decision not to pros-
12 ecute, the dismissal of charges or acquittal.

13 **SECTION 37.** ORS 475B.507, as amended by section 15 of this 2017 Act,
14 is amended to read:

15 "475B.507. [*The Oregon Health Authority, the State Department of Agri-*
16 *culture and the Oregon Liquor Control and Cannabis Commission,]* **The**
17 **Medical Use of Cannabis Board** and the officers, employees and agents of
18 the [*authority, department and commission,]* **Oregon Health Authority who**
19 **are performing work for or on behalf of the board** are immune from any
20 cause of action for the performance of, or the failure to perform, duties re-
21 quired by ORS 475B.400 to 475B.525.

22 **SECTION 38.** ORS 475B.510, as amended by section 16 of this 2017 Act,
23 is amended to read:

24 "475B.510. [*The Oregon Health Authority, the State Department of Agri-*
25 *culture and the Oregon Liquor Control and Cannabis Commission]* **The**
26 **Medical Use of Cannabis Board** may possess, seize or dispose of marijuana,
27 usable marijuana, medical cannabinoid products, cannabinoid concentrates
28 and cannabinoid extracts as is necessary for the [*authority*] **board** to ensure
29 compliance with and enforce the provisions of ORS 475B.400 to 475B.525 and
30 any rule adopted under ORS 475B.400 to 475B.525.

1 **“SECTION 39.** ORS 475B.525 is amended to read:

2 “475B.525. (1) The [*Oregon Health Authority*] **The Medical Use of**
3 **Cannabis Board** shall adopt rules necessary for the implementation, ad-
4 ministration and enforcement of ORS 475B.400 to 475B.525.

5 “(2) The [*authority*] **board** may adopt rules as the [*authority*] **board** con-
6 siders necessary to protect the public health and safety.

7 **“SECTION 40.** Section 6, chapter 83, Oregon Laws 2016, is amended to
8 read:

9 **“Sec. 6.** Notwithstanding the provisions of ORS 475B.400 to 475B.525,
10 rules adopted by the [*Oregon Health Authority*] **Medical Use of Cannabis**
11 **Board** under ORS 475B.400 to 475B.525 must allow for the provision, transfer
12 and sale of usable marijuana as described in section 2 [*of this 2016 Act*],
13 **chapter 83, Oregon Laws 2016.**

14 **“SECTION 41.** Section 10 of this 2017 Act is amended to read:

15 **“Sec. 8.** (1) A premises is not subject to ORS 475B.063 or any land use
16 ordinance or rule of a local government that would otherwise prohibit or
17 restrict the production of marijuana on the premises if:

18 “[(a) *The premises is registered as a marijuana grow site under ORS*
19 *475B.420 on the date immediately preceding the date on which the Oregon Li-*
20 *quor Control Commission issues a license to produce marijuana on the prem-*
21 *ises;*]

22 “[(b) *The premises is used to lawfully produce 24 or less than 24 mature*
23 *marijuana plants on the date immediately preceding the date on which the*
24 *commission issues a license to produce marijuana on the premises;*]

25 **“(a) The premises was not subject to ORS 475B.063 or any ordinance**
26 **or rule of a local government that would otherwise prohibit or restrict**
27 **the production of marijuana on the premises on the date immediately**
28 **preceding the operative date specified in section 357 of this 2017 Act;**

29 “[(c)] **(b)** The grow canopy used to produce mature marijuana plants on
30 the premises does not exceed 2,500 square feet, on and after the date on

1 which the commission issues a license to produce marijuana on the premises;
2 and

3 “[*d*] (c) The license to produce marijuana on the premises does not lapse
4 and is not suspended or revoked, on and after the date on which the com-
5 mission issues a license to produce marijuana on the premises.

6 **“SECTION 42.** Section 21 of this 2017 Act is amended to read:

7 **“Sec. 17.** (1) The [*Oregon Health Authority*] **Medical Use of Cannabis**
8 **Board** shall establish, maintain and operate an electronic system for the
9 keeping of information received by the authority under ORS 475B.415 or in-
10 cluded on a registry identification card issued under ORS 475B.415.

11 “(2) The [*authority*] **board** may contract with a state agency or private
12 entity to ensure the effective establishment, maintenance or operation of the
13 electronic system.

14 “(3) Except as provided in subsection (4) of this section, information kept
15 in the electronic system is confidential and not subject to public disclosure
16 under ORS 192.410 to 192.505. Except as provided in subsection (4) of this
17 section, the [*authority*] **board** may not disclose the information for any rea-
18 son.

19 “(4) The [*authority*] **board** shall establish the electronic system in a
20 manner that allows the Oregon Liquor Control and Cannabis Commission
21 and the Department of Revenue to remotely access the electronic system.
22 Information disclosed to the commission and the department under this sub-
23 section remains confidential and not subject to public disclosure under ORS
24 192.410 to 192.505. The commission and the department may not disclose the
25 information for any reason.

26 “(5) The electronic system must be immediately accessible by the com-
27 mission and the department 24 hours a day, seven days a week.

28

29

(Repeals)

30

(Operative March 30, 2019)

1 “SECTION 43. ORS 475B.420, 475B.423, 475B.425, 475B.435, 475B.438,
2 475B.440, 475B.443, 475B.450, 475B.453, 475B.455, 475B.458, 475B.462,
3 475B.464, 475B.468, 475B.469, 475B.470, 475B.495, 475B.500, 475B.505,
4 475B.517 and 475B.520, sections 13, 14, 20 and 22, chapter 23, Oregon
5 Laws 2016, section 25, chapter 24, Oregon Laws 2016, and section 29,
6 chapter 83, Oregon Laws 2016, are repealed.

7
8 **CONTROL AND REGULATION OF MARIJUANA ACT**

9
10 **(Regulatory Specialists)**

11 **(Effective 91st Day Following Adjournment Sine Die)**
12

13 “SECTION 44. Section 45 of this 2017 Act is added to and made a
14 part of ORS 475B.010 to 475B.395.

15 “SECTION 45. (1) In addition to the duties functions and powers
16 described in ORS 471.775, and ~~subject to subsection (2) of this section,~~
17 a regulatory specialist, as defined in ORS 471.005, has the authority
18 as provided in ORS 133.005 to 133.400, ~~133.450, 133.525 to 133.703, 133.721~~
19 ~~to 133.739, 161.235, 161.245, 475B.010 to 475B.395, 475B.400 to 475B.525,~~
20 475B.550 to 475B.590 or 475B.600 to 475B.655, and chapter 743, Oregon
21 Laws 1971, to conduct inspections and investigations, make seizures,
22 aid in prosecutions for offenses, issue citations for violations and
23 otherwise enforce ORS 475B.010 to 475B.395, 475B.400 to 475B.525,
24 475B.550 to 475B.590 and 475B.600 to 475B.655, any rule adopted under
25 ORS 475B.010 to 475B.395, 475B.400 to 475B.525, 475B.550 to 475B.590 and
26 475B.600 to 475B.655 and any other law of this state that charges the
27 Oregon Liquor Control and Cannabis Commission with a duty, func-
28 tion or power related to a marijuana item, including enforcing any law
29 or rule related to individuals who use false identification for purposes
30 of purchasing or possessing a marijuana item or who engage in illegal

1 activity on or near a premises.

2 “(2) A regulatory specialist may not:

3 “(a) Be sworn in as a federal law enforcement official and act in
4 that capacity while performing an activity authorized by this section.

5 “(b) Carry a firearm.

6 “(c) Conduct inspections and investigations of a primary residence,
7 unless the primary residence is the location of a grow canopy of a
8 marijuana producer that holds a license issued under ORS 475B.070.

9 “(d) Conduct inspections and investigations of registry identifica-
10 tion cardholders or designated primary caregivers, the residences of
11 registry identification cardholders or designated primary caregivers
12 or the locations where registry identification cardholders or designated
13 primary caregivers produce marijuana, for purposes of ensuring com-
14 pliance with ORS 475B.400 to 475B.525.

15

16

(Financial Disclosure)

17

(Effective 91st Day Following Adjournment Sine Die)

18

19

“SECTION 46. Sections 47 and 48 of this 2017 Act are added to and
20 made a part of ORS 475B.010 to 475B.395.

21

“SECTION 47. (1) The Oregon Liquor Control Commission may re-
22 quire, in a form and manner prescribed by the commission, a licensee
23 or applicant for a license under ORS 475B.010 to 475B.395 to submit to
24 the commission a sworn statement showing:

25

“(a) The name and address of each person that has a financial in-
26 terest in the business operating or to be operated under the license;
27 and

28

“(b) The nature and extent of the financial interest of each person
29 that has a financial interest in the business operating or to be oper-
30 ated under the license.

1 “(2) The commission may refuse to issue, or may suspend, revoke
2 or refuse to renew, a license issued under ORS 475B.010 to 475B.395 if
3 the commission determines that a person that has a financial interest
4 in the business operating or to be operated under the license commit-
5 ted or failed to commit an act that would constitute grounds for the
6 commission to refuse to issue, or to suspend, revoke or refuse to re-
7 new, the license if the person were the licensee or applicant for the
8 license.

9 “SECTION 48. (1) The Oregon Liquor Control Commission may re-
10 quire, in a form and manner prescribed by the commission, a certif-
11 icate holder or an applicant for a certificate under ORS 475B.235 to
12 submit to the commission a sworn statement showing:

13 “(a) The name and address of each person that has a financial in-
14 terest in the research being conducted or to be conducted under the
15 certificate; and

16 “(b) The nature and extent of the financial interest of each person
17 that has a financial interest in the research being conducted or to be
18 conducted under the certificate.

19 “(2) The commission may refuse to issue, or may suspend, revoke
20 or refuse to renew, a certificate issued under ORS 475B.235 if the
21 commission determines that a person that has a financial interest in
22 the research being conducted or to be conducted under the certificate
23 committed or failed to commit an act that would constitute grounds
24 for the commission to refuse to issue, or to suspend, revoke or refuse
25 to renew, the certificate if the person were the certificate holder or
26 the applicant for the certificate.

27 “SECTION 49. Section 50 of this 2017 Act is added to and made a
28 part of ORS 475B.550 to 475B.590.

29 “SECTION 50. (1) The Oregon Liquor Control Commission may re-
30 quire, in a form and manner prescribed by the commission, a licensee

1 or applicant for a license under ORS 475B.560 to submit to the com-
2 mission a sworn statement showing:

3 “(a) The name and address of each person that has a financial in-
4 terest in the business operating or to be operated under the license;
5 and

6 “(b) The nature and extent of the financial interest of each person
7 that has a financial interest in the business operating or to be oper-
8 ated under the license.

9 “(2) The commission may refuse to issue, or may suspend, revoke
10 or refuse to renew, a license issued under ORS 475B.560 if the com-
11 mission determines that a person that has a financial interest in the
12 business operating or to be operated under the license committed or
13 failed to commit an act that would constitute grounds for the com-
14 mission to refuse to issue, or to suspend, revoke or refuse to renew,
15 the license if the person were the licensee or applicant for the license.
16

17 (Letter of Reprimand)

18 (Takes Effect 91st Day After Adjournment Sine Die)

19
20 “SECTION 51. Section 52 of this 2017 Act is added to and made a
21 part of ORS 475B.010 to 475B.395.

22 “SECTION 52. (1) Notwithstanding the lapse, suspension or revoca-
23 tion of a license issued under ORS 475B.010 to 475B.395 or a certificate
24 issued under ORS 475B.235, the Oregon Liquor Control and Cannabis
25 Commission may:

26 “(a) Proceed with any investigation of, or any action or disciplinary
27 proceeding against, the person who held the license or certificate; or

28 “(b) Revise or render void an order suspending or revoking the li-
29 cense or certificate.

30 “(2) In cases involving the proposed denial of a license issued under

1 **ORS 475B.010 to 475B.395 or a certificate issued under ORS 475B.235,**
2 **the commission has jurisdiction to proceed with any action or disci-**
3 **plinary proceeding against the applicant for licensure or certification**
4 **if:**

5 **“(a) The commission has issued a notice of the intent to deny**
6 **licensure or certification; and**

7 **“(b) The applicant for licensure or certification has requested a**
8 **hearing.**

9

10 **(Registry Identification Cardholders)**
11 **(Takes Effect 91st Day Following Adjournment Sine Die)**

12

13 **“SECTION 53.** ORS 475B.070, as amended by section 1, chapter 24,
14 Oregon Laws 2016, and section 7, chapter 83, Oregon Laws 2016, is amended
15 to read:

16 “475B.070. (1) The production of marijuana is subject to regulation by the
17 Oregon Liquor Control **and Cannabis** Commission.

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

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

22 “(b) Must provide proof that the applicant is 21 years of age or older; and

23 “(c) 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 producer to annually renew a license issued
27 under this section;

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

30 “(c) Require marijuana produced by marijuana producers to be tested in

1 accordance with ORS 475B.555;

2 “(d) Assist the viability of marijuana producers that are independently
3 owned and operated and that are limited in size and revenue with respect to
4 other marijuana producers, by minimizing barriers to entry into the regu-
5 lated system and by expanding, to the extent practicable, transportation
6 options that will support their access to the retail market;

7 “(e) Allow a marijuana producer registered under section 2, chapter 83,
8 Oregon Laws 2016, to produce marijuana for medical purposes in the same
9 manner that rules adopted under ORS 475B.010 to 475B.395 allow a
10 marijuana producer to produce marijuana for nonmedical purposes, excepting
11 those circumstances where differentiating between the production of
12 marijuana for medical purposes and the production of marijuana for non-
13 medical purposes is necessary to protect the public health and safety;

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

17 “(g) **Allow a registry identification cardholder and the designated**
18 **primary caregiver of the registry identification cardholder to receive,**
19 **free of charge, usable marijuana, in an amount not to exceed three**
20 **pounds per year, from marijuana producers and marijuana retailers;**
21 **and**

22 “[~~(g)(A)~~] (h)(A) Require a marijuana producer to meet any public health
23 and safety standards and industry best practices established by the commis-
24 sion by rule related to:

25 “(i) The production of marijuana; or

26 “(ii) The propagation of immature marijuana plants and [*the seeds of the*
27 *plant Cannabis family Cannabaceae*] **marijuana seeds.**

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

30 “(i) The number of immature marijuana plants that may be possessed by

1 a marijuana producer licensed under this section;

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

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

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

7 “(a) May not exceed, together with other fees collected under ORS
8 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395;

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

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

14 **“SECTION 54.** ORS 475B.090, as amended by section 2, chapter 24,
15 Oregon Laws 2016, and section 8, chapter 83, Oregon Laws 2016, is amended
16 to read:

17 “475B.090. (1) The processing of marijuana items is subject to regulation
18 by the Oregon Liquor Control **and Cannabis** Commission.

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

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

23 “(b) Must provide proof that the applicant is 21 years of age or older;

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

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

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

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

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

3 “(c) Require marijuana processed by a marijuana processor to be tested
4 in accordance with ORS 475B.555;

5 “(d) Allow a marijuana processor registered under section 3, chapter 83,
6 Oregon Laws 2016, to process marijuana and usable marijuana into medical
7 grade cannabinoid products, cannabinoid concentrates and cannabinoid ex-
8 tracts in the same manner that rules adopted under ORS 475B.010 to 475B.395
9 allow a marijuana processor to process marijuana and usable marijuana into
10 general use cannabinoid products, cannabinoid concentrates and cannabinoid
11 extracts, excepting those circumstances where differentiating between the
12 processing of medical grade cannabinoid products, cannabinoid concentrates
13 and cannabinoid extracts and the processing of general use cannabinoid
14 products, cannabinoid concentrates and cannabinoid extracts is necessary to
15 protect the public health and safety; [*and*]

16 **“(e) Allow a registry identification cardholder and the designated
17 primary caregiver of the registry identification cardholder to receive,
18 free of charge, cannabinoid extracts, in an amount not to exceed 240
19 grams per year, from marijuana processors and marijuana retailers;
20 and**

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

24 “(A) Cannabinoid edibles;

25 “(B) Cannabinoid concentrates;

26 “(C) Cannabinoid extracts; and

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

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

30 “(a) May not exceed, together with other fees collected under ORS

1 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395; and
2 “(b) Shall be deposited in the Marijuana Control and Regulation Fund
3 established under ORS 475B.240.

4 **“SECTION 55.** ORS 475B.110, as amended by section 4, chapter 24,
5 Oregon Laws 2016, and section 10, chapter 83, Oregon Laws 2016, is amended
6 to read:

7 “475B.110. (1) The retail sale of marijuana items is subject to regulation
8 by the Oregon Liquor Control **and Cannabis** Commission.

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

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

13 “(b) Must provide proof that the applicant is 21 years of age or older;

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

16 “(d) Except as provided in section 29b, chapter 83, Oregon Laws 2016, may
17 not be located within 1,000 feet of:

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

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

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

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

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

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

29 “(c) Require marijuana items sold by a marijuana retailer to be tested in
30 accordance with ORS 475B.555;

1 “(d) Subject to the limitations and privileges described in section 5 (4),
2 chapter 83, Oregon Laws 2016, allow a marijuana retailer registered under
3 section 5, chapter 83, Oregon Laws 2016, to sell medical grade cannabinoid
4 products, cannabinoid concentrates and cannabinoid extracts at retail in the
5 same manner that rules adopted under ORS 475B.010 to 475B.395 allow a
6 marijuana retailer to sell general use cannabinoid products, cannabinoid
7 concentrates and cannabinoid extracts at retail, excepting those circum-
8 stances where differentiating between the sale of medical grade cannabinoid
9 products, cannabinoid concentrates and cannabinoid extracts and the sale
10 of general use cannabinoid products, cannabinoid concentrates and
11 cannabinoid extracts is necessary to protect the public health and safety;
12 [and]

13 “(e) **Allow a registry identification cardholder and the designated**
14 **primary caregiver of the registry identification cardholder to receive,**
15 **free of charge, usable marijuana, in an amount not to exceed three**
16 **pounds per year, and cannabinoid extracts, in an amount not to exceed**
17 **240 grams per year, from marijuana producers, marijuana processors**
18 **and marijuana retailers; and**

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

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

23 “(a) May not exceed, together with other fees collected under ORS
24 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395; and

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

27 “**SECTION 56.** Section 2, chapter 83, Oregon Laws 2016, is amended to
28 read:

29 “**Sec 2.** [(1) *As used in this section, ‘designated primary caregiver,’*
30 *‘marijuana processing site,’ ‘medical marijuana dispensary’ and ‘registry*

1 *identification cardholder'*

2 have the meanings given those terms in ORS 475B.410.]

3 “[2] (1) To produce marijuana for medical purposes, a marijuana pro-
4 ducer that holds a license **issued** under ORS 475B.070 must register with the
5 Oregon Liquor Control **and Cannabis** Commission under this section.

6 “[3] (2) The commission shall register a marijuana producer for the
7 purpose of producing marijuana for medical purposes if the marijuana pro-
8 ducer:

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

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

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

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

14 “[4](a) *A marijuana producer registered under this section may produce*
15 *marijuana for a registry identification cardholder, and provide usable*
16 *marijuana to the registry identification cardholder or to the designated pri-*
17 *mary caregiver of the registry identification cardholder, if the marijuana pro-*
18 *ducer enters into an agreement with the registry identification cardholder for*
19 *whom the marijuana producer is producing the marijuana. An agreement en-*
20 *tered into under this subsection:]*

21 “[A] *Must be submitted to the commission in a manner prescribed by the*
22 *commission;]*

23 “[B] *Except as provided in subparagraph (C) of this paragraph, may not*
24 *allow the marijuana producer to be compensated for producing the marijuana*
25 *or providing the usable marijuana;]*

26 “[C] *May require a registry identification cardholder, or a designated*
27 *primary caregiver on behalf of a registry identification cardholder, to reim-*
28 *burse a marijuana producer for all costs associated with producing marijuana*
29 *for the registry identification cardholder or providing usable marijuana to the*
30 *registry identification cardholder or designated primary caregiver;]*

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

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

9 “(F) May allow the marijuana producer to keep a portion of the usable
10 marijuana harvested from the marijuana produced for the registry identifica-
11 tion cardholder for the purposes of:]

12 “[(i) Providing usable marijuana to additional registry identification
13 cardholders or designated primary caregivers; and]

14 “[(ii) Transferring or selling usable marijuana to marijuana processing
15 sites or medical marijuana dispensaries.]

16 “[(c) Marijuana produced for a registry identification cardholder, and us-
17 able marijuana transferred or sold to a marijuana processing site or medical
18 marijuana dispensary, pursuant to an agreement entered into under this sub-
19 section must be tracked by the system developed and maintained under ORS
20 475B.150.]

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

25 “[(i) A registry identification cardholder who enters into an agreement un-
26 der this subsection; or]

27 “[(ii) A registry identification cardholder, designated primary caregiver,
28 marijuana processing site or medical marijuana dispensary that receives usa-
29 ble marijuana pursuant to an agreement entered into under this subsection.]

30 “[(B) Registration information received by the commission under this par-

1 *agraph that is confidential and not subject to public disclosure under ORS*
2 *475B.460 and 475B.462 remains confidential and not subject to public disclo-*
3 *sure after being provided to the commission.]*

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

7 *“(5)(a) The commission shall adopt rules necessary to administer this sec-*
8 *tion, including rules:]*

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

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

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

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

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

21 **“(3) Subject to subsection (4) of this section, a marijuana producer**
22 **registered under this section may produce mature marijuana plants**
23 **on a medically designated grow canopy in addition to producing ma-**
24 **ture marijuana plants on the grow canopy allowed under ORS 475B.075.**
25 **The commission shall specify the size of medically designated grow**
26 **canopies by rule, provided that the size of any medically designated**
27 **grow canopy does not exceed ten percent of the total size of both the**
28 **medically designated grow canopy and the grow canopy allowed under**
29 **ORS 475B.075 at the time that the marijuana producer applies for**
30 **registration under this section.**

1 “(4) A marijuana producer registered under this section must pro-
2 vide, for no consideration, at least 75 percent of the usable marijuana
3 harvested from the marijuana producer’s medically designated grow
4 canopy to registry identification cardholders and designated primary
5 caregivers.

6 “(5) A marijuana producer registered under this section may not,
7 during a single transaction, provide a registry identification
8 cardholder or the designated primary caregiver of a registry identifi-
9 cation cardholder an amount of usable marijuana that exceeds the
10 amount of usable marijuana that a registry identification cardholder
11 and a designated primary caregiver may jointly possess under ORS
12 475B.430.

13 “(6)(a) The commission shall adopt rules necessary to administer
14 this section.

15 “(b) The rules must specify that a registry identification cardholder
16 and the designated primary caregiver of the registry identification
17 cardholder may receive not more than three pounds of usable
18 marijuana per year pursuant to this section and ORS 475B.070 and
19 475B.110 and section 5, chapter 83, Oregon Laws 2016.

20 “(c) The rules must establish sanctions for failure to meet the re-
21 quirements of this section or a rule adopted under this section, in-
22 cluding revocation of the marijuana producer’s medically designated
23 grow canopy.

24 “[(b)] (d) The rules must provide that any fee adopted by the commission
25 under subsection (3)(d) of this section be in an amount reasonably calculated
26 to not exceed, together with other fees collected under ORS 475B.010 to
27 475B.395, the cost of administering ORS 475B.010 to 475B.395.

28 “**SECTION 57.** Section 3, chapter 83, Oregon Laws 2016, is amended to
29 read:

30 “**Sec. 3.** (1) To process marijuana for medical purposes, a marijuana

1 processor that holds a license under ORS 475B.090 must register with the
2 Oregon Liquor Control **and Cannabis** Commission under this section.

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

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

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

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

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

10 “(3) A marijuana processor registered under this section may:

11 “(a) Process marijuana and usable marijuana into medical grade
12 cannabinoid products, cannabinoid concentrates and cannabinoid extracts[.];

13 “(b) **May, for a fee, process marijuana and usable marijuana into**
14 **medical grade cannabinoid products, cannabinoid concentrates and**
15 **cannabinoid extracts for a registry identification cardholder or the**
16 **designated primary caregiver of a registry identification cardholder;**
17 **and**

18 “(c) **May provide, free of charge, medical grade cannabinoid ex-**
19 **tracts to a registry identification cardholder or the designated primary**
20 **caregiver of the registry identification cardholder.**

21 “[{4}] (a) The commission shall adopt rules necessary to administer this
22 section.

23 “(b) **The rules must specify that a registry identification cardholder**
24 **and the designated primary caregiver of the registry identification**
25 **cardholder may receive not more than 240 grams of medical grade**
26 **cannabinoid extracts per year pursuant to subsection (3)(c) of this**
27 **section and ORS 475B.090 and 475B.110 and section 5, chapter 83,**
28 **Oregon Laws 2016.**

29 “(c) The rules must provide that any fee adopted by the commission under
30 subsection (2)(d) of this section be in an amount reasonably calculated to not

1 exceed, together with other fees collected under ORS 475B.010 to 475B.395,
2 the cost of administering ORS 475B.010 to 475B.395.

3 **SECTION 58.** Section 4, chapter 83, Oregon Laws 2016, is amended to
4 read:

5 **“Sec. 4.** (1) To sell marijuana **items** at wholesale for medical purposes,
6 a marijuana wholesaler that holds a license under ORS 475B.100 must reg-
7 ister with the Oregon Liquor Control **and Cannabis** Commission under this
8 section.

9 “(2) The commission shall register a marijuana wholesaler for the purpose
10 of selling marijuana **items** at wholesale for medical purposes if the
11 marijuana wholesaler:

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

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

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

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

17 “(3) A marijuana wholesaler registered under this section may sell med-
18 ical grade cannabinoid products, cannabinoid concentrates and cannabinoid
19 extracts at wholesale.

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

25 **SECTION 59.** Section 5, chapter 83, Oregon Laws 2016, is amended to
26 read:

27 **“Sec. 5.** *[(1) As used in this section, ‘designated primary caregiver’ and*
28 *‘registry identification cardholder’ have the meanings given those terms in*
29 *ORS 475B.410.]*

30 *“[(2)] (1) To sell marijuana **items** at retail for medical purposes, a*

1 marijuana retailer that holds a license under ORS 475B.110 must register
2 with the Oregon Liquor Control **and Cannabis** Commission under this sec-
3 tion.

4 “[(3)] **(2)** The commission shall register a marijuana retailer for the pur-
5 pose of selling marijuana **items** at retail for medical purposes if the
6 marijuana retailer:

7 “(a) Holds a license under ORS 475B.110;

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

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

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

12 “[(4)] **(3)** A marijuana retailer registered under this section:

13 “(a) May sell medical grade cannabinoid products, cannabinoid concen-
14 trates and cannabinoid extracts to registry identification cardholders and
15 designated primary caregivers;

16 “(b) May not sell medical grade cannabinoid products, cannabinoid con-
17 centrates and cannabinoid extracts to individuals other than registry iden-
18 tification cardholders and designated primary caregivers;

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

22 “(d) May provide, **free of charge**, usable marijuana and medical grade
23 [*cannabinoid products, cannabinoid concentrates and*] cannabinoid extracts to
24 **a** registry identification [*cardholders and designated primary caregivers*]
25 **cardholder and the designated primary caregiver of the registry iden-**
26 **tification cardholder** [*free of charge*].

27 “[(5)] **(4)(a)** The commission shall adopt rules necessary to administer this
28 section.

29 “**(b) The rules must specify that a registry identification cardholder**
30 **and the designated primary caregiver of the registry identification**

1 cardholder may receive not more than three pounds of usable
2 marijuana and 240 grams of medical grade cannabinoid extracts per
3 year pursuant to subsection (3)(d) of this section and ORS 475B.090 and
4 475B.110 and sections 2 and 3, chapter 83, Oregon Laws 2016.

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

9 **“SECTION 60. The Oregon Liquor Control and Cannabis Commis-**
10 **sion shall adopt rules necessary to implement the amendments to ORS**
11 **475B.070, 475B.090 and 475B.110 and sections 2, 3 and 5, chapter 83,**
12 **Oregon Laws 2016, by sections 53 to 57 and 59 of this 2017 Act on or**
13 **before March 30, 2018.**

14 **“SECTION 61. The amendments to section 2, chapter 83, Oregon**
15 **Laws 2016, by section 56 of this 2017 Act, do not effect any contract**
16 **entered into between a marijuana producer registered under section**
17 **2, chapter 83, Oregon Laws 2016, and a registry identification**
18 **cardholder, as defined in ORS 475B.410.**

19
20 (Amendments)

21 (Effective 91st Day After Adjournment Sine Die)

22
23 **“SECTION 62. ORS 475B.015, as amended by section 63, chapter 24,**
24 **Oregon Laws 2016, and section 11, chapter 83, Oregon Laws 2016, is amended**
25 **to read:**

26 “475B.015. As used in ORS 475B.010 to 475B.395:

27 “(1) ‘Cannabinoid’ means any of the chemical compounds that are the
28 active constituents of marijuana.

29 “(2) ‘Cannabinoid concentrate’ means a substance obtained by separating
30 cannabinoids from marijuana by:

1 “(a) A mechanical extraction process;

2 “(b) A chemical extraction process using a nonhydrocarbon-based [*or*

3 *other*] solvent, such as water, vegetable glycerin, vegetable oils, animal fats,

4 isopropyl alcohol or ethanol;

5 “(c) A chemical extraction process using [*the hydrocarbon-based solvent*]

6 carbon dioxide, provided that the process does not involve the use of high

7 heat or pressure; or

8 “(d) Any other process identified by the Oregon Liquor Control **and**

9 **Cannabis** Commission, in consultation with the Oregon Health Authority,

10 by rule.

11 “(3) ‘Cannabinoid edible’ means food or potable liquid into which a

12 cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or

13 flowers have been incorporated.

14 “(4) ‘Cannabinoid extract’ means a substance obtained by separating

15 cannabinoids from marijuana by:

16 “(a) A chemical extraction process using a hydrocarbon-based solvent,

17 such as butane, hexane or propane;

18 “(b) A chemical extraction process using [*the hydrocarbon-based solvent*]

19 carbon dioxide, if the process uses high heat or pressure; or

20 “(c) Any other process identified by the commission, in consultation with

21 the authority, by rule.

22 “(5)(a) ‘Cannabinoid product’ means a cannabinoid edible and any other

23 product intended for human consumption or use, including a product in-

24 tended to be applied to the skin or hair, that contains cannabinoids or dried

25 marijuana leaves or flowers.

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

27 “(A) Usable marijuana by itself;

28 “(B) A cannabinoid concentrate by itself;

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

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

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

3 “(7) ‘Designated primary caregiver’ has the meaning given that
4 term in ORS 475B.410.

5 “[(7)(a)] (8)(a) ‘Financial consideration’ means value that is given or re-
6 ceived either directly or indirectly through sales, barter, trade, fees, charges,
7 dues, contributions or donations.

8 “(b) ‘Financial consideration’ does not include marijuana, cannabinoid
9 products or cannabinoid concentrates that are delivered within the scope of
10 and in compliance with ORS 475B.245.

11 “[(8)] (9) ‘Homegrown’ means grown by a person 21 years of age or older
12 for noncommercial purposes.

13 “[(9)] (10) ‘Household’ means a housing unit and any place in or around
14 a housing unit at which the occupants of the housing unit are producing,
15 processing, possessing or storing homegrown marijuana, cannabinoid pro-
16 ducts, cannabinoid concentrates or cannabinoid extracts.

17 “[(10)] (11) ‘Housing unit’ means a house, an apartment or a mobile home,
18 or a group of rooms or a single room that is occupied as separate living
19 quarters, in which the occupants live and eat separately from any other
20 persons in the building and that has direct access from the outside of the
21 building or through a common hall.

22 “[(11)] (12) ‘Immature marijuana plant’ means a marijuana plant that is
23 not flowering.

24 “[(12)] (13) ‘Licensee’ means a person [who] that holds a license issued
25 under ORS 475B.070, 475B.090, 475B.100 or 475B.110.

26 “[(13)] (14) ‘Licensee representative’ means an owner, director, officer,
27 manager, employee, agent or other representative of a licensee, to the extent
28 that the person acts in a representative capacity.

29 “[(14)(a)] (15)(a) ‘Marijuana’ means the plant Cannabis family
30 Cannabaceae, any part of the plant Cannabis family Cannabaceae and [the

1 *seeds of the plant Cannabis family Cannabaceae*] **marijuana seeds.**

2 “(b) ‘Marijuana’ does not include industrial hemp, as defined in ORS
3 571.300.

4 “[~~(15)~~] **(16)** ‘Marijuana flowers’ means the flowers of the plant genus
5 Cannabis within the plant family Cannabaceae.

6 “[~~(16)~~] **(17)** ‘Marijuana items’ means marijuana, cannabinoid products,
7 cannabinoid concentrates and cannabinoid extracts.

8 “[~~(17)~~] **(18)** ‘Marijuana leaves’ means the leaves of the plant genus
9 Cannabis within the plant family Cannabaceae.

10 “[~~(18)~~] **(19)** ‘Marijuana processor’ means a person who processes
11 marijuana items in this state.

12 “[~~(19)~~] **(20)** ‘Marijuana producer’ means a person who produces marijuana
13 in this state.

14 “[~~(20)~~] **(21)** ‘Marijuana retailer’ means a person who sells marijuana items
15 to a consumer in this state.

16 “**(22)(a)** ‘**Marijuana seeds**’ means the seeds of the plant Cannabis
17 family Cannabaceae.

18 “**(b)** ‘**Marijuana seeds**’ does not include the seeds of industrial
19 hemp, as defined in ORS 571.300.

20 “[~~(21)~~] **(23)** ‘Marijuana wholesaler’ means a person who purchases
21 marijuana items in this state for resale to a person other than a consumer.

22 “[~~(22)~~] **(24)** ‘Mature marijuana plant’ means a marijuana plant that is not
23 an immature marijuana plant.

24 “[~~(23)~~] **(25)** ‘Medical grade cannabinoid product, cannabinoid concentrate
25 or cannabinoid extract’ means a cannabinoid product, cannabinoid concen-
26 trate or cannabinoid extract that has a concentration of
27 tetrahydrocannabinol that is permitted under ORS 475B.625 in a single
28 serving of the cannabinoid product, cannabinoid concentrate or cannabinoid
29 extract for consumers who hold a valid registry identification card issued
30 under ORS 475B.415.

1 “[(24)] (26) ‘Medical purpose’ means a purpose related to using usable
2 marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid
3 extracts to mitigate the symptoms or effects of a debilitating medical condi-
4 tion, as defined in ORS 475B.410.

5 “[(25)] (27) ‘Noncommercial’ means not dependent or conditioned upon the
6 provision or receipt of financial consideration.

7 “[(26)(a)] (28)(a) ‘Premises’ [or ‘licensed premises’] includes the following
8 areas of a location licensed under ORS [475B.070, 475B.090, 475B.100 or
9 475B.110] **475B.010 to 475B.395:**

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

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

16 “(C) For a location that the commission has specifically licensed for the
17 production of marijuana outside a building, that portion of the location used
18 to produce marijuana.

19 “(b) ‘Premises’ [or ‘licensed premises’] does not include a primary resi-
20 dence, **unless the primary residence is the location of a grow canopy**
21 **of a marijuana producer that holds a license issued under ORS**
22 **475B.070.**

23 “[(27)(a)] (29)(a) ‘Processes’ means the processing, compounding or con-
24 version of marijuana into cannabinoid products, cannabinoid concentrates
25 or cannabinoid extracts.

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

27 “[(28)(a)] (30)(a) ‘Produces’ means the manufacture, planting, cultivation,
28 growing or harvesting of marijuana.

29 “(b) ‘Produces’ does not include:

30 “(A) The drying of marijuana by a marijuana processor, if the marijuana

1 processor is not otherwise producing marijuana; or

2 “(B) The cultivation and growing of an immature marijuana plant by a
3 marijuana processor, marijuana wholesaler or marijuana retailer if the
4 marijuana processor, marijuana wholesaler or marijuana retailer purchased
5 or otherwise received the plant from a licensed marijuana producer.

6 “[~~(29)~~] **(31)** ‘Propagate’ means to grow immature marijuana plants or to
7 breed or produce [*the seeds of the plant Cannabis family Cannabaceae*]
8 **marijuana seeds.**

9 “[~~(30)~~] **(32)** ‘Public place’ means a place to which the general public has
10 access and includes, but is not limited to, hallways, lobbies and other parts
11 of apartment houses and hotels not constituting rooms or apartments de-
12 signed for actual residence, and highways, streets, schools, places of
13 amusement, parks, playgrounds and areas used in connection with public
14 passenger transportation.

15 “**(33) ‘Registry identification cardholder’ has the meaning given that**
16 **term in ORS 475B.410.**

17 “[~~(31)(a)~~] **(34)(a)** ‘Usable marijuana’ means the dried leaves and flowers
18 of marijuana.

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

20 “**(A) Marijuana seeds;**

21 “[~~(A)~~] **(B)** The [*seeds,*] stalks and roots of marijuana; or

22 “[~~(B)~~] **(C)** Waste material that is a by-product of producing or processing
23 marijuana.

24 “**SECTION 63.** ORS 475B.025 is amended to read:

25 “475B.025. (1) The Oregon Liquor Control **and Cannabis** Commission has
26 the [*powers and*] duties, **functions and powers** specified in ORS 475B.010
27 to 475B.395 and the powers necessary or proper to enable the commission to
28 carry out the commission’s duties, functions and powers under ORS 475B.010
29 to 475B.395. The jurisdiction, supervision, duties, functions and powers of the
30 commission extend to any person who [*buys, sells,*] produces, processes,

1 transports [*or delivers any marijuana items within*], **delivers, sells or pur-**
2 **chases a marijuana item** in this state. The commission may sue and be
3 sued.

4 “(2) The duties, functions and powers of the commission **specified** in ORS
5 475B.010 to 475B.395 include the following:

6 “(a) To regulate the [*purchase, sale,*] production, processing, transporta-
7 tion [*and*], delivery, **sale and purchase** of marijuana items in accordance
8 with the provisions of ORS 475B.010 to 475B.395.

9 “(b) To [*grant, refuse, suspend or cancel*] **issue, renew, suspend, revoke**
10 **or refuse to issue or renew** licenses for the [*sale, processing or*]
11 production, **processing or sale** of marijuana items, or other licenses [*in re-*
12 *gard to*] **related to the consumption of** marijuana items, and to permit, in
13 the commission’s discretion, the transfer of a license between persons.

14 “[*c*] To investigate and aid in the prosecution of every violation of the
15 statutory laws of this state relating to marijuana items and to cooperate in the
16 prosecution of offenders before any state court of competent jurisdiction.]

17 “[*d*] (c) To adopt, amend or repeal rules as necessary to carry out the
18 intent and provisions of ORS 475B.010 to 475B.395, including rules that the
19 commission considers necessary to protect the public health and safety.

20 “[*e*] (d) To exercise all powers incidental, convenient or necessary to
21 enable the commission to administer or carry out the provisions of ORS
22 475B.010 to 475B.395 or any other law of this state that charges the com-
23 mission with a duty, function or power related to marijuana. Powers de-
24 scribed in this paragraph include, but are not limited to:

25 “(A) Issuing subpoenas;

26 “(B) Compelling the attendance of witnesses;

27 “(C) Administering oaths;

28 “(D) Certifying official acts;

29 “(E) Taking depositions as provided by law;

30 “(F) Compelling the production of books, payrolls, accounts, papers, re-

1 cords, documents and testimony; and

2 “(G) Establishing fees in addition to the application, licensing and re-
3 newal fees described in ORS 475B.070, 475B.090, 475B.100 and 475B.110, pro-
4 vided that any fee established by the commission is reasonably calculated
5 not to exceed the cost of the activity for which the fee is charged.

6 “[~~(f)~~] (e) To adopt rules regulating and prohibiting [*marijuana producers,*
7 *marijuana processors, marijuana wholesalers and marijuana retailers from*]
8 advertising marijuana items in a manner:

9 “(A) That is appealing to minors;

10 “(B) That promotes excessive use;

11 “(C) That promotes illegal activity; or

12 “(D) That otherwise presents a significant risk to public health and
13 safety.

14 “(g) To regulate the use of marijuana items for [*scientific, pharmaceutical,*
15 *manufacturing, mechanical, industrial and*] other purposes **as deemed nec-**
16 **essary or appropriate by the commission.**

17 “(3) Fees collected pursuant to subsection (2)(e)(G) of this section shall
18 be deposited in the Marijuana Control and Regulation Fund established un-
19 der ORS 475B.240.

20 **“SECTION 64.** ORS 475B.030 is amended to read:

21 “475B.030. The Oregon Liquor Control **and Cannabis** Commission may
22 purchase, possess, seize or dispose of marijuana items as is necessary for the
23 commission to ensure compliance with and enforce the provisions of ORS
24 475B.010 to 475B.395 and any rule adopted under ORS 475B.010 to 475B.395.

25 **“SECTION 65.** ORS 475B.033 is amended to read:

26 “475B.033. The Oregon Liquor Control **and Cannabis** Commission may,
27 by **rule or** order, provide for the manner and conditions under which:

28 “(1) Marijuana items left by a deceased, insolvent or bankrupt person or
29 licensee, or subject to a security interest, may be foreclosed, sold under ex-
30 ecution or otherwise disposed.

1 “(2) The business of a deceased, insolvent or bankrupt licensee may be
2 operated for a reasonable period following the death, insolvency or bank-
3 ruptcy.

4 “(3) A secured party, as defined in ORS 79.0102, may continue to operate
5 a [*business*] **premises** for which a license has been issued under ORS
6 [*475B.070, 475B.090, 475B.100 or 475B.110*] **475B.010 to 475B.395** for a rea-
7 sonable period after default on the indebtedness by the debtor.

8 “SECTION 66. ORS 475B.035 is amended to read:

9 “475B.035. The Oregon Liquor Control **and Cannabis** Commission may
10 limit the quantity of marijuana items purchased at any one time by a con-
11 sumer [*so as effectually to*] **if the commission determines that the limi-**
12 **tation is necessary to** prevent the resale of marijuana items.

13 “SECTION 67. ORS 475B.040 is amended to read:

14 “475B.040. (1) An applicant for a license or renewal of a license under
15 ORS 475B.010 to 475B.395 shall apply to the Oregon Liquor Control **and**
16 **Cannabis** Commission in the form required by the commission **by rule,**
17 showing the name and address of the applicant, location of the [*place of*
18 *business*] **premises** that is to be operated under the license and other perti-
19 nent information required by the commission. The commission may not
20 [*grant*] **issue** or renew a license until the applicant has complied with the
21 provisions of ORS 475B.010 to 475B.395 and [*the rules of the commission*]
22 **rules adopted under ORS 475B.010 to 475B.395.**

23 “(2) The commission may reject any application that is not submitted in
24 the form required **by the commission** by rule. The commission shall give
25 applicants an opportunity to be heard if an application is rejected. A hearing
26 under this subsection is not subject to the requirements for contested case
27 proceedings under ORS chapter 183.

28 “(3) Except as provided in subsection (2) of this section, a revocation of,
29 or a refusal to issue or renew, a license under ORS 475B.010 to 475B.395 is
30 subject to the requirements for contested case proceedings under ORS chap-

1 ter 183.

2 **“SECTION 68.** ORS 475B.045 is amended to read:

3 “475B.045. (1) The Oregon Liquor Control **and Cannabis** Commission may
4 not license an applicant under the provisions of ORS 475B.010 to 475B.395
5 if the applicant is under 21 years of age.

6 “(2) The commission may refuse to license an applicant under the pro-
7 visions of ORS 475B.010 to 475B.395 if the commission [*has reasonable ground*
8 *to believe*] **makes a finding** that the applicant:

9 “(a) Is in the habit of using alcoholic beverages, habit-forming drugs,
10 marijuana or controlled substances to excess.

11 “(b) Has made false statements to the commission.

12 “(c) Is incompetent or physically unable to carry on the management of
13 the establishment proposed to be licensed.

14 “(d) Has been convicted of violating a [*general or local law of this state*
15 *or another state, or of violating a federal law,*] **federal law, state law or**
16 **local ordinance** if the conviction is substantially related to the fitness and
17 ability of the applicant to lawfully carry out activities under the license.

18 “(e) Is not of good repute and moral character.

19 “(f) Does not have a good record of compliance with ORS 475B.010 to
20 475B.395 or any rule [*of the commission*] adopted under ORS 475B.010 to
21 475B.395.

22 “(g) Is not the legitimate owner of the [*business*] **premises** proposed to
23 be licensed, or **has not disclosed that** other persons have ownership inter-
24 ests in the [*business that have not been disclosed.*] **premises proposed to**
25 **be licensed.**

26 “(h) [*Is not possessed of or*] Has not demonstrated financial responsibility
27 sufficient to adequately meet the requirements of the [*business*] **premises**
28 proposed to be licensed.

29 “(i) Is unable to understand the laws of this state relating to marijuana
30 **items** or the rules of the commission relating to marijuana **items.**

1 “(3) Notwithstanding subsection (2)(d) of this section, in determining
2 whether the commission may refuse to license an applicant, the commission
3 may not consider the prior conviction of the applicant or any owner, direc-
4 tor, officer, manager, employee, agent or other representative of the appli-
5 cant for:

6 “(a) The manufacture of marijuana, if:

7 “(A) The date of the conviction is two or more years before the date of
8 the application; and

9 “(B) The person has not been convicted more than once for the manufac-
10 ture or delivery of marijuana;

11 “(b) The delivery of marijuana to a person 21 years of age or older, if:

12 “(A) The date of the conviction is two or more years before the date of
13 the application; and

14 “(B) The person has not been convicted more than once for the manufac-
15 ture or delivery of marijuana; or

16 “(c) The possession of marijuana.

17 “SECTION 69. ORS 475B.050, as amended by section 8, chapter 23,
18 Oregon Laws 2016, is amended to read:

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

25 “(1) If the applicant is a limited partnership, each partner of the limited
26 partnership;

27 “(2) If the applicant is a limited liability company, each member of the
28 limited liability company;

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

1 “(4) Any individual who holds a financial interest of 10 percent or more
2 in the person applying for the license; and

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

5 **“SECTION 70.** ORS 475B.055 is amended to read:

6 “475B.055. A license [*granted*] **issued** under ORS 475B.010 to 475B.395:

7 “(1) Is a [*purely*] personal privilege.

8 “[(2) *Is valid for the period stated in the license.*]

9 “[(3)] **(2)** Is renewable in the manner provided in ORS 475B.040, except for
10 a cause that would be grounds for refusal to issue the license under ORS
11 475B.045.

12 “[(4)] **(3)** Is revocable or suspendible as provided in ORS 475B.210.

13 “[(5)] **(4)** Is transferable from the premises for which the license was ori-
14 ginally issued to another premises subject to the provisions of ORS 475B.010
15 to 475B.395, applicable rules [*of the Oregon Liquor Control Commission*]
16 **adopted under ORS 475B.010 to 475B.395** and applicable local ordinances.

17 “[(6)] **(5) If the licensee was issued to an individual,** expires upon the
18 death of the licensee, except as provided in ORS 475B.033.

19 “[(7)] **(6)** Does not constitute property.

20 “[(8)] **(7)** Is not alienable.

21 “[(9)] **(8)** Is not subject to attachment or execution.

22 “[(10)] **(9)** Does not descend by the laws of testate or intestate devolution.

23 **“SECTION 71.** ORS 475B.060 is amended to read:

24 “475B.060. (1) The Oregon Liquor Control **and Cannabis** Commission
25 shall approve or deny an application to [*produce, process and sell marijuana*
26 *under ORS 475B.070, 475B.090, 475B.100 and 475B.110*] **be licensed under**
27 **ORS 475B.010 to 475B.395.** Upon receiving an application **under ORS**
28 **475B.040,** the commission may not unreasonably delay processing, approving
29 or denying the application or, if the application is approved, issuing the li-
30 cense.

1 “(2) The licenses described in ORS [475B.070, 475B.090, 475B.100 and
2 475B.110] **475B.010 to 475B.395** must be issued by the commission, subject to
3 the provisions of ORS 475B.010 to 475B.395 and [the] rules adopted under
4 ORS 475B.010 to 475B.395.

5 “(3) The commission may not license a premises that does not have de-
6 fined boundaries. A [licensed] premises does not need to be enclosed by a
7 wall, fence or other structure, but the commission may require [that] a [li-
8 censed] premises **to** be enclosed as a condition of issuing or renewing a li-
9 cense. The commission may not license **a** mobile premises.

10 **“SECTION 72.** ORS 475B.063, as amended by section 11, chapter 24,
11 Oregon Laws 2016, is amended to read:

12 “475B.063. (1) Prior to receiving a license under ORS 475B.070, 475B.090,
13 475B.100 or 475B.110, an applicant shall request a land use compatibility
14 statement from the city or county that authorizes the land use. The land use
15 compatibility statement must demonstrate that the requested license is for
16 a land use that is allowable as a permitted or conditional use within the
17 given zoning designation where the land is located. The Oregon Liquor
18 Control **and Cannabis** Commission may not issue a license if the land use
19 compatibility statement shows that the proposed land use is prohibited in the
20 applicable zone.

21 “(2) Except as provided in subsection (3) of this section, a city or county
22 that receives a request for a land use compatibility statement under this
23 section must act on that request within 21 days of:

24 “(a) Receipt of the request, if the land use is allowable as an outright
25 permitted use; or

26 “(b) Final local permit approval, if the land use is allowable as a condi-
27 tional use.

28 “(3) A city or county that receives a request for a land use compatibility
29 statement under this section is not required to act on that request during
30 the period that the commission discontinues licensing those premises pursu-

1 ant to ORS 475B.800 (4)(b).

2 “(4) A city or county action concerning a land use compatibility state-
3 ment under this section is not a land use decision for purposes of ORS
4 chapter 195, 196, 197, 215 or 227.

5 **“SECTION 73.** ORS 475B.065 is amended to read:

6 “475B.065. Licensees and licensee representatives may produce, deliver
7 and possess marijuana items subject to the provisions of ORS 475B.010 to
8 475B.395 **and rules adopted under ORS 475B.010 to 475B.395.** The pro-
9 duction, delivery [*and*] **or** possession of marijuana items by a licensee or a
10 licensee representative in compliance with ORS 475B.010 to 475B.395 **and**
11 **rules adopted under ORS 475B.010 to 475B.395** does not constitute a
12 criminal or civil offense under the laws of this state.

13 **“SECTION 74.** ORS 475B.068 is amended to read:

14 “475B.068. [*The same person may hold one or more production licenses, one*
15 *or more processor licenses, one or more wholesale licenses and one or more*
16 *retail licenses.*] **A person may hold:**

17 **“(1) Multiple licenses to conduct at different premises the same**
18 **activity for which a license is required under ORS 475B.010 to 475B.395;**
19 **and**

20 **“(2) Multiple types of licenses to conduct at the same or different**
21 **premises different activities for which a license is required under ORS**
22 **475B.010 to 475B.395.**

23 **“SECTION 75.** ORS 475B.075, as amended by section 10, chapter 24,
24 Oregon Laws 2016, is amended to read:

25 “475B.075. (1) Subject to subsection (2) of this section, the Oregon Liquor
26 Control **and Cannabis** Commission shall adopt rules restricting the size of
27 mature marijuana plant grow canopies at premises for which a license has
28 been issued under ORS 475B.070. In adopting rules under this subsection, the
29 commission shall:

30 **“(a) Limit the size of mature marijuana plant grow canopies, for premises**

1 where marijuana is grown outdoors and for premises where marijuana is
2 grown indoors, in a manner calculated to result in premises that produce the
3 same amount of harvested marijuana leaves and harvested marijuana flowers
4 regardless of whether the marijuana is grown outdoors or indoors.

5 “(b) Adopt a tiered system under which the permitted size of a marijuana
6 producer’s mature marijuana plant grow canopy increases at the time of
7 licensure renewal under ORS 475B.070, except that the permitted size of a
8 marijuana producer’s mature marijuana plant grow canopy may not increase
9 following any year during which the commission disciplined the marijuana
10 producer for violating a provision of ORS 475B.010 to 475B.395 or a rule
11 adopted under [*a provision of*] ORS 475B.010 to 475B.395.

12 “(c) Take into consideration the market demand for marijuana items in
13 this state, the number of [*persons*] **marijuana producers** applying for a li-
14 cense under ORS 475B.070, [*and to whom a license has been issued*] **the**
15 **number of marijuana producers that hold a license issued** under ORS
16 475B.070[,] and whether the availability of marijuana items in this state is
17 commensurate with the market demand.

18 “(2) This section:

19 “(a) Applies only to that portion of a premises for which a license has
20 been issued under ORS 475B.070 that is used to produce mature marijuana
21 plants; and

22 “(b) Does not apply to a premises for which a license has been issued
23 under ORS 475B.070 if the premises is used only to propagate immature
24 marijuana plants.

25 **“SECTION 76.** ORS 475B.100, as amended by section 3, chapter 24,
26 Oregon Laws 2016, and section 9, chapter 83, Oregon Laws 2016, is amended
27 to read:

28 “475B.100. (1) The wholesale sale of marijuana items is subject to regu-
29 lation by the Oregon Liquor Control **and Cannabis** Commission.

30 “(2) A marijuana wholesaler must have a wholesale license issued by the

1 commission for the premises at which marijuana items are received, stored
2 or delivered. To hold a wholesale license under this section, a marijuana
3 wholesaler:

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

5 “(b) Must provide proof that the applicant is 21 years of age or older;

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

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

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

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

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

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

17 “(d) Allow a marijuana wholesaler registered under section 4, chapter 83,
18 Oregon Laws 2016, to sell medical grade cannabinoid products, cannabinoid
19 concentrates and cannabinoid extracts at wholesale in the same manner that
20 rules adopted under ORS 475B.010 to 475B.395 allow a marijuana wholesaler
21 to sell general use cannabinoid products, cannabinoid concentrates and
22 cannabinoid extracts at wholesale, excepting those circumstances where dif-
23 ferentiating between the sale of medical grade cannabinoid products,
24 cannabinoid concentrates and cannabinoid extracts and the sale of general
25 use cannabinoid products, cannabinoid concentrates and cannabinoid ex-
26 tracts is necessary to protect the public health and safety; and

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

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

30 “(a) May not exceed, together with other fees collected under ORS

1 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395; and

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

4 **“SECTION 77.** ORS 475B.115 is amended to read:

5 “475B.115. If a school described in ORS 475B.110 (2)(d) that has not pre-
6 viously been attended by children is established within 1,000 feet of a prem-
7 ises for which a license has been issued under ORS 475B.110, the marijuana
8 retailer located at that premises may remain at that location unless the
9 Oregon Liquor Control **and Cannabis** Commission revokes the license of the
10 marijuana retailer under ORS 475B.210.

11 **“SECTION 78.** ORS 475B.125 is amended to read:

12 “475B.125. The Oregon Liquor Control **and Cannabis** Commission may
13 adopt rules establishing the circumstances under which the commission may
14 require a marijuana retailer that holds a license issued under ORS 475B.110
15 to use an age verification scanner or any other equipment used to verify a
16 person’s age for the purpose of ensuring that the marijuana retailer does not
17 sell marijuana items to a person under 21 years of age. [*The marijuana*
18 *retailer may not retain any*] Information obtained under this section **may not**
19 **be retained** after verifying a person’s age. [*The marijuana retailer may not*
20 *use any*] Information obtained under this section **may not be used** for any
21 purpose other than verifying a person’s age.

22 **“SECTION 79.** ORS 475B.130 is amended to read:

23 “475B.130. (1) The Oregon Liquor Control **and Cannabis** Commission [*has*
24 *the right after 72 hours’ notice to the owner or the agent of the owner to*] **may**
25 **after 72 hours’ notice** make an examination of the books [*and*] **of a**
26 **licensee for the purpose of determining compliance with ORS 475B.010**
27 **to 475B.395 and rules adopted under ORS 475B.010 to 475B.395.**

28 **“(2) The commission** may at any time make an examination of [*the*] **a**
29 premises [*of any person licensed*] **for which a license has been issued** under
30 ORS 475B.010 to 475B.395 for the purpose of determining compliance with

1 **the provisions of** ORS 475B.010 to 475B.395 and [*the rules of the*
2 *commission*] **rules adopted under ORS 475B.010 to 475B.395.**

3 “[~~(2)~~] **(3)** The commission may not require the books of a licensee to be
4 maintained on [*the*] **a** premises of the licensee.

5 “[~~(3)~~] **(4)** This section does not authorize the commission to make an ex-
6 amination of [*the*] **a** premises of a person registered under ORS 475B.400 to
7 475B.525.

8 **“SECTION 80.** ORS 475B.135 is amended to read:

9 “475B.135. As is necessary to protect the public health and safety, the
10 Oregon Liquor Control **and Cannabis** Commission may require a premises
11 licensed under ORS [~~475B.070, 475B.090, 475B.100 or 475B.110~~] **475B.010 to**
12 **475B.395** to be segregated into separate areas:

13 “(1) For conducting the activities permitted under each license, if the
14 licensee holds more than one license issued under ORS [~~475B.070, 475B.090,~~
15 ~~475B.100 or 475B.110~~] **475B.010 to 475B.395 for the same premises;** or

16 “(2) For conducting activities related to processing marijuana into dif-
17 ferent types of cannabinoid products, cannabinoid concentrates or
18 cannabinoid extracts, if the licensee is a marijuana processor **that holds a**
19 **license issued under ORS 475B.090 and** that processes marijuana into any
20 combination of different types of products, concentrates and extracts.

21 **“SECTION 81.** ORS 475B.140 is amended to read:

22 “475B.140. As is necessary to protect the public health and safety, the
23 Oregon Liquor Control **and Cannabis** Commission may require a [*person*
24 *that holds a license under ORS 475B.070, 475B.090, 475B.100 or 475B.110*]
25 **licensee** to maintain general liability insurance in an amount that the
26 commission determines is reasonably affordable and available for the purpose
27 of protecting the [*person*] **licensee** against damages resulting from a cause
28 of action related to activities undertaken pursuant to the license **held by**
29 **the licensee.**

30 **“SECTION 82.** ORS 475B.145 is amended to read:

1 “475B.145. In adopting rules related to industry best practices under ORS
2 475B.070, 475B.090, 475B.100 and 475B.110, the Oregon Liquor Control **and**
3 **Cannabis** Commission may establish merit-based criteria for licensure or
4 renewal of licensure, including, but not limited to, possession of a developed
5 business plan, access to sufficient capital, offering living wages and benefits
6 to employees, provision of training and apprenticeship, provision of commu-
7 nity benefits, implementation of best environmental practices and implemen-
8 tation of consumer safety practices.

9 “**SECTION 83.** ORS 475B.150, as amended by section 64, chapter 24,
10 Oregon Laws 2016, is amended to read:

11 “475B.150. (1) The Oregon Liquor Control **and Cannabis** Commission
12 shall develop and maintain a system for tracking the transfer of marijuana
13 items between premises **for which licenses have been issued under ORS**
14 **475B.010 to 475B.395.**

15 “(2) The purposes of the system developed and maintained under this
16 section include, but are not limited to:

17 “(a) Preventing the diversion of marijuana items to criminal enterprises,
18 gangs, cartels and other states;

19 “(b) Preventing persons from substituting or tampering with marijuana
20 items;

21 “(c) Ensuring an accurate accounting of the production, processing and
22 sale of marijuana items;

23 “(d) Ensuring that laboratory testing results are accurately reported; and

24 “(e) Ensuring compliance with [*the provisions of*] ORS 475B.010 to
25 475B.395, rules adopted under [*the provisions of*] ORS 475B.010 to 475B.395
26 and any other law of this state that charges the commission with a duty,
27 function or power related to marijuana.

28 “(3) The system developed and maintained under this section must be ca-
29 pable of tracking, at a minimum:

30 “(a) The propagation of immature marijuana plants and the production

1 of marijuana by a marijuana producer;

2 “(b) The processing of marijuana by a marijuana processor;

3 “(c) The receiving, storing and delivering of marijuana items by a
4 marijuana wholesaler;

5 “(d) The sale of marijuana items by a marijuana retailer to a consumer;

6 “(e) The **sale and** purchase [*and sale*] of marijuana items between
7 licensees, as permitted by ORS 475B.010 to 475B.395;

8 “(f) The transfer of marijuana items between premises **for which licenses**
9 **have been issued under ORS 475B.010 to 475B.395**; and

10 “(g) Any other information that the commission determines is reasonably
11 necessary to accomplish the duties, functions and powers of the commission
12 under ORS 475B.010 to 475B.395.

13 **“SECTION 84.** ORS 475B.160, as amended by section 23, chapter 23,
14 Oregon Laws 2016, section 65, chapter 24, Oregon Laws 2016, and section 12,
15 chapter 83, Oregon Laws 2016, is amended to read:

16 “475B.160. (1) Except as provided in section 22, chapter 23, Oregon Laws
17 2016, and section 2, chapter 83, Oregon Laws 2016, a marijuana producer **that**
18 **holds a license issued under ORS 475B.070**, marijuana processor **that**
19 **holds a license issued under ORS 475B.090** or marijuana wholesaler **that**
20 **holds a license issued under ORS 475B.100** may deliver marijuana items
21 only to or on a premises **for which a license has been issued under ORS**
22 **475B.070, 475B.090, 475B.100 or 475B.110 or to a registry identification**
23 **cardholder or designated primary caregiver as allowed under ORS**
24 **475B.010 to 475B.395.**

25 “(2) [*A premises*] **A licensee to whom marijuana items may be deliv-**
26 **ered under subsection (1) of this section** may receive marijuana items
27 only from:

28 “[*(a) A marijuana producer, marijuana processor or marijuana wholesaler*
29 *for whom a premises has been licensed by the Oregon Liquor Control Com-*
30 *mission;*]

1 “(a) A marijuana producer that holds a license issued under ORS
2 475B.070, marijuana processor that holds a license issued under ORS
3 475B.090 or marijuana wholesaler that holds a license issued under
4 ORS 475B.100;

5 “(b) A researcher of cannabis [*certified*] that holds a certificate issued
6 under ORS 475B.235 [*who*] and that transfers limited amounts of marijuana,
7 usable marijuana, cannabinoid products, cannabinoid concentrates and
8 cannabinoid extracts in accordance with procedures adopted under ORS
9 475B.235 (3)(d) and (e); or

10 “(c) A marijuana grow site registered under ORS 475B.420, marijuana
11 processing site registered under ORS 475B.435, or a medical marijuana
12 dispensary registered under ORS 475B.450, acting in accordance with proce-
13 dures adopted by the commission under section 25, chapter 24, Oregon Laws
14 2016.

15 “(3) The sale of marijuana items by a marijuana retailer that holds a li-
16 cense issued under ORS 475B.110 must be restricted to the premises [*de-*
17 *scribed in the license*] for which the license has been issued, but deliveries
18 may be made by [*the*] a marijuana retailer to consumers pursuant to a bona
19 fide order received at the premises prior to delivery.

20 “**SECTION 85.** ORS 475B.170 is amended to read:

21 “475B.170. (1) Subject to subsection (2) of this section, a licensee or
22 licensee representative, before selling or providing a marijuana item to an-
23 other person, must require the person to produce one of the following pieces
24 of identification:

25 “(a) The person’s passport.

26 “(b) The person’s driver license, whether issued in this state or by [*any*
27 *other state, as long as the license has a picture of the person*] **another**
28 **state.**

29 “(c) An identification card issued under ORS 807.400.

30 “(d) A United States military identification card.

1 “(e) Any other identification card issued by a state that bears a picture
2 of the person, the name of the person, the person’s date of birth and a
3 physical description of the person.

4 “(2) The Oregon Liquor Control **and Cannabis** Commission may adopt
5 rules exempting a licensee or licensee representative from this section.

6 **“SECTION 86.** ORS 475B.180 is amended to read:

7 “475B.180. (1) A licensee may not employ [*any*] **a person under 21 years**
8 **of age [*in any part of any licensed premises*] at a premises for which a li-**
9 **cence has been issued under ORS 475B.010 to 475B.395.**

10 “(2) During [*any*] **an inspection of a [*licensed*] premises for which a li-**
11 **cence has been issued under ORS 475B.010 to 475B.395,** the Oregon Liquor
12 Control **and Cannabis** Commission may require proof that a person per-
13 forming work at the premises is 21 years of age or older. If the person does
14 not provide the commission with acceptable proof of age upon request, the
15 commission may require the person to immediately cease any activity and
16 leave the premises until the commission receives acceptable proof of age.
17 This subsection does not apply to a person temporarily at the premises to
18 make a service, maintenance or repair call or for other purposes independent
19 of the premises operations.

20 “(3) If a person performing work has not provided proof of age requested
21 by the commission under subsection (2) of this section, the commission may
22 request that the licensee provide proof that the person is 21 years of age or
23 older. Failure of the licensee to respond to a request made under this sub-
24 section by providing acceptable proof of age for a person is prima facie evi-
25 dence that the licensee has allowed the person to perform work at the
26 [*licensed*] premises **for which a license has been issued under ORS**
27 **475B.010 to 475B.395** in violation of the minimum age requirement.

28 **“SECTION 87.** ORS 475B.185, as amended by section 39, chapter 24,
29 Oregon Laws 2016, is amended to read:

30 “475B.185. (1) A person may not import marijuana items into this state

1 or export marijuana items from this state.

2 “(2) Except as provided in subsection (3) of this section, a violation of this
3 section is a Class B violation.

4 “(3) A violation of this section is a:

5 “(a) Class C felony, if the importation or exportation:

6 “(A) Is for consideration and the person [*holds a license under ORS*
7 *475B.070, 475B.090, 475B.100 or 475B.110*] **is a licensee**; or

8 “(B) Concerns usable marijuana and the importation or exportation ex-
9 ceeds 16 ounces of usable marijuana.

10 “(b) Class A misdemeanor, if the importation or exportation:

11 “(A) Is not for consideration and the person [*holds a license under ORS*
12 *475B.070, 475B.090, 475B.100 or 475B.110*] **is a licensee**; or

13 “(B) Concerns usable marijuana and the importation or exportation ex-
14 ceeds one ounce of usable marijuana.

15 **“SECTION 88.** ORS 475B.190 is amended to read:

16 “475B.190. (1) A licensee may not use or allow the use of a mark or label
17 on the container of a marijuana item that is kept for sale if the [*container*]
18 **mark or label** does not precisely and clearly indicate the nature of the
19 container’s contents or **if the mark or label** in any way might deceive a
20 customer [*as to*] **about** the nature, composition, quantity, age or quality of
21 the [*marijuana item.*] **container’s contents.**

22 “(2) The Oregon Liquor Control **and Cannabis** Commission may prohibit
23 a licensee from selling any brand of marijuana item that in the commission’s
24 judgment is deceptively **branded or** labeled [*or branded as to content*] or
25 contains injurious or adulterated ingredients.

26 **“SECTION 89.** ORS 475B.195 is amended to read:

27 “475B.195. (1) A marijuana item may not be sold or offered for sale within
28 this state unless the marijuana item complies with the minimum standards
29 prescribed by the statutory laws of this state.

30 “(2) The Oregon Liquor Control **and Cannabis** Commission may prohibit

1 the sale of a marijuana item by a marijuana retailer for a reasonable period
2 of time for the purpose of determining whether the marijuana item complies
3 with the minimum standards prescribed by the statutory laws of this state.

4 **“SECTION 90.** ORS 475B.200 is amended to read:

5 “475B.200. (1) Except for a [*licensed marijuana producer and the producer’s*
6 *licensee representative*] **marijuana producer that holds a license issued**
7 **under ORS 475B.070 or licensee representative of a marijuana producer**
8 **that holds a license issued under ORS 475B.070,** a licensee or licensee
9 **representative** may not possess a mature marijuana plant.

10 “(2) A licensee **or licensee representative** may not sell a mature
11 marijuana plant.

12 **“SECTION 91.** ORS 475B.205 is amended to read:

13 “475B.205. (1) A person may not make false representations or statements
14 to the Oregon Liquor Control **and Cannabis** Commission in order to induce
15 or prevent action by the commission.

16 “(2) A licensee [*of the commission*] may not maintain a noisy, lewd, dis-
17 orderly or insanitary establishment or supply impure or otherwise deleteri-
18 ous marijuana items.

19 “(3) A licensee [*of the commission*] may not misrepresent to a customer
20 or to the public any marijuana items.

21 **“SECTION 92.** ORS 475B.210 is amended to read:

22 “475B.210. The Oregon Liquor Control **and Cannabis** Commission may
23 revoke or suspend a license issued under ORS 475B.010 to 475B.395 if the
24 commission finds or has reasonable ground to believe any of the following
25 to be true:

26 “(1) That the licensee:

27 “(a) Has violated a provision of ORS 475B.010 to 475B.395 or a rule [*of the*
28 *commission*] adopted under ORS 475B.010 to 475B.395.

29 “(b) Has made any false representation or statement to the commission
30 in order to induce or prevent action by the commission.

1 “(c) Is insolvent or incompetent or physically unable to carry on the
2 management of the establishment of the licensee.

3 “(d) Is in the habit of using alcoholic liquor, habit-forming drugs,
4 marijuana or controlled substances to excess.

5 “(e) Has misrepresented to a customer or the public any marijuana items
6 sold by the licensee.

7 “(f) Since the [*granting*] **issuance** of the license, has been convicted of a
8 felony, of violating any of the marijuana laws of this state, general or local,
9 or of any misdemeanor or violation of any municipal ordinance committed
10 on the [*licensed*] premises **for which the license has been issued**.

11 “(2) That there is any other reason that, in the opinion of the commission,
12 based on public convenience or necessity, warrants [*canceling*] **revoking** or
13 suspending the license.

14 **SECTION 93.** ORS 475B.215, as amended by section 16, chapter 23,
15 Oregon Laws 2016, is amended to read:

16 “475B.215. (1) An individual who performs work for or on behalf of a
17 [*person who holds a license under ORS 475B.070, 475B.090, 475B.100 or*
18 *475B.110*] **licensee** must have a valid permit issued by the Oregon Liquor
19 Control **and Cannabis** Commission under ORS 475B.218 if the individual
20 participates in:

21 “(a) The possession, production, propagation, processing, securing or
22 selling of marijuana items at the premises for which the license has been
23 issued;

24 “(b) The recording of the possession, production, propagation, processing,
25 securing or selling of marijuana items at the premises for which the license
26 has been issued; or

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

28 “(2) A [*person who holds a license under ORS 475B.070, 475B.090, 475B.100*
29 *or 475B.110*] **licensee** must verify that an individual has a valid permit is-
30 sued under ORS 475B.218 before allowing the individual to perform any work

1 described in subsection (1) of this section at the premises for which the li-
2 cense has been issued.

3 **“SECTION 94.** ORS 475B.218, as amended by section 13, chapter 24,
4 Oregon Laws 2016, is amended to read:

5 “475B.218. (1) The Oregon Liquor Control **and Cannabis** Commission
6 shall issue permits to qualified applicants to perform work described in ORS
7 475B.215. The commission shall adopt rules establishing:

8 “(a) The qualifications for performing work described in ORS 475B.215;

9 “(b) The term of a permit issued under this section;

10 “(c) Procedures for applying for and renewing a permit issued under this
11 section; and

12 “(d) Reasonable application, issuance and renewal fees for a permit issued
13 under this section.

14 “(2)(a) The commission may require an individual applying for a permit
15 under this section to successfully complete a course, made available by or
16 through the commission, through which the individual receives training on:

17 “(A) Checking identification;

18 “(B) Detecting intoxication;

19 “(C) Handling marijuana items;

20 “(D) **Best practices for producing and propagating marijuana;**

21 “(E) **Best practices for processing marijuana;**

22 “[~~(D)~~] (F) The content of ORS 475B.010 to 475B.395 and rules adopted
23 under ORS 475B.010 to 475B.395; [~~and~~] **or**

24 “[~~(E)~~] (G) Any matter deemed necessary by the commission to protect the
25 public health and safety.

26 “(b) The commission or other provider of [~~the~~] **a** course may charge a
27 reasonable fee for the course.

28 “(c) The commission may not require an individual to successfully com-
29 plete [~~the~~] **a** course more than once, except that:

30 “(A) As part of a final order suspending a permit issued under this sec-

1 tion, the commission may require a permit holder to successfully complete
2 the course as a condition of lifting the suspension; and

3 “(B) As part of a final order revoking a permit issued under this section,
4 the commission shall require an individual to successfully complete the
5 course prior to applying for a new permit.

6 “(3) The commission shall conduct a criminal records check under ORS
7 181A.195 on an individual applying for a permit under this section.

8 “(4) Subject to the applicable provisions of ORS chapter 183, the com-
9 mission may suspend, revoke or refuse to issue or renew a permit if the in-
10 dividual who is applying for or who holds the permit:

11 “(a) Is convicted of a felony or is convicted of an offense under ORS
12 475.856, 475.858, 475.860, 475.862 or 475B.010 to 475B.395, except that the
13 commission may not consider a conviction for an offense under ORS 475.856,
14 475.858, 475.860, 475.862 or 475B.010 to 475B.395 if the date of the conviction
15 is two or more years before the date of the application or renewal;

16 “(b) Violates any provision of ORS 475B.010 to 475B.395 or any rule
17 adopted under ORS 475B.010 to 475B.395; or

18 “(c) Makes a false statement to the commission.

19 “(5) A permit issued under this section is a personal privilege and permits
20 work described under ORS 475B.215 only for the individual who holds the
21 permit.

22 **SECTION 95.** ORS 475B.230 is amended to read:

23 “475B.230. (1) An employee of a [*person licensed under ORS 475B.070,*
24 *475B.090, 475B.100 or 475B.110*] **licensee** has the right to form, join and
25 participate in the activities of a labor organization of the employee’s own
26 choosing for the purpose of securing representation and collective bargaining
27 for matters concerning employment relations with the [*person licensed under*
28 *ORS 475B.070, 475B.090, 475B.100 or 475B.110*] **licensee**.

29 “(2) For purposes of this section, the provisions of ORS chapters 661 to
30 663 apply to relations between employees of [*persons licensed under ORS*

1 475B.070, 475B.090, 475B.100 and 475B.110] **licensees** and employers that are
2 [licensed under ORS 475B.070, 475B.090, 475B.100 or 475B.110] **licensees** in
3 the same manner that those provisions apply to other employment relations.

4 **“SECTION 96.** ORS 475B.233 is amended to read:

5 “475B.233. (1) It is an unlawful employment practice for a [*person that*
6 *holds a license under ORS 475B.070, 475B.090, 475B.100 or 475B.110*] **licensee**
7 to discharge, demote, suspend or in any manner discriminate or retaliate
8 against an employee of the [*person*] **licensee** with regard to promotion,
9 compensation or other terms, conditions or privileges of employment on the
10 basis that the employee has in good faith reported information to the Oregon
11 Liquor Control **and Cannabis** Commission that the employee believes is ev-
12 idence of a violation of a provision of ORS 475B.010 to 475B.395 or a rule
13 adopted under [*a provision of*] ORS 475B.010 to 475B.395.

14 “(2) This section is subject to enforcement under ORS chapter 659A.

15 **“SECTION 97.** ORS 475B.235, as amended by section 24, chapter 23,
16 Oregon Laws 2016, and section 12, chapter 24, Oregon Laws 2016, is amended
17 to read:

18 “475B.235. (1) The Oregon Liquor Control **and Cannabis** Commission, in
19 consultation with the Oregon Health Authority and the State Department
20 of Agriculture, shall establish a program for the purpose of identifying and
21 certifying private and public researchers of cannabis.

22 “(2)(a) The authority shall assist the commission in identifying candidates
23 for certification under this section with respect to potential medical re-
24 search.

25 “(b) The department shall assist the commission in identifying candidates
26 for certification under this section with respect to potential agricultural re-
27 search.

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

30 “(a) Qualifications for certification under this section;

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

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

4 “(d) Procedures for tracking marijuana, usable marijuana, cannabinoid
5 products, cannabinoid concentrates and cannabinoid extracts received by and
6 disposed or otherwise made use of by a person [*certified*] **that holds a cer-**
7 **tificate issued** under this section; and

8 “(e) Procedures for disposing or otherwise making use of marijuana, usa-
9 ble marijuana, cannabinoid products, cannabinoid concentrates and
10 cannabinoid extracts.

11 “(4) In establishing qualifications under subsection (3) of this section, the
12 commission shall consider the following:

13 “(a) A research applicant’s access to funding and the overall cost of the
14 proposed research;

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

17 “(c) Legal barriers to conducting the proposed research or legal risks as-
18 sociated with conducting the proposed research.

19 “(5) In adopting procedures under subsection (3)(d) and (e) of this section
20 with respect to making use of marijuana, usable marijuana, cannabinoid
21 products, cannabinoid concentrates and cannabinoid extracts, the commission
22 shall also adopt procedures by which a person [*certified*] **that holds a cer-**
23 **tificate issued** under this section may transfer limited amounts of
24 marijuana, usable marijuana, cannabinoid products, cannabinoid concen-
25 trates and cannabinoid extracts to another person [*certified*] **that holds a**
26 **certificate issued** under this section or to a premises for which a license
27 has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110.

28 “(6) In adopting procedures under subsection (3)(d) and (e) of this section
29 with respect to making use of marijuana, usable marijuana, cannabinoid
30 products, cannabinoid concentrates and cannabinoid extracts, the commission

1 shall also adopt procedures by which a person certified under this section
2 may give, devise or bequest usable marijuana, immature marijuana plants,
3 **marijuana** seeds, cannabinoid products, cannabinoid concentrates and
4 cannabinoid extracts to a medical marijuana dispensary registered with the
5 authority under ORS 475B.450 and owned by a nonprofit corporation organ-
6 ized under ORS chapter 65 for purposes described in section 22, chapter 23,
7 Oregon Laws 2016.

8 “(7) A person [*certified*] **that holds a certificate issued** under this sec-
9 tion:

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

13 “(b) May not sell or otherwise transfer marijuana, usable marijuana,
14 cannabinoid products, cannabinoid concentrates or cannabinoid extracts to
15 any other person, except as provided in this section and rules adopted by the
16 commission under this section.

17 “(8) Except as otherwise provided by the commission by rule, rules
18 adopted by the commission for the purpose of administering and enforcing
19 ORS 475B.010 to 475B.395 with respect to licensees and licensee represen-
20 tatives apply to persons [*certified*] **that hold a certificate issued** under this
21 section and persons employed by or who otherwise perform work for persons
22 [*certified*] **that hold a certificate issued** under this section.

23 “(9) A person [*who is certified*] **that holds a certificate issued** under this
24 section, and an employee of or other person who performs work for a person
25 [*certified*] **that holds a certificate issued** under this section, is exempt from
26 the criminal laws of this state for possession, delivery or manufacture of
27 marijuana, aiding and abetting another in the possession, delivery and man-
28 ufacture of marijuana, or any other criminal offense in which possession,
29 delivery or manufacture of marijuana is an element, while performing activ-
30 ities related to conducting research as described in this section.

1 “SECTION 98. ORS 475B.240 is amended to read:

2 “475B.240. The Marijuana Control and Regulation Fund is established in
3 the State Treasury, separate and distinct from the General Fund. Interest
4 earned by the Marijuana Control and Regulation Fund shall be credited to
5 the fund. Moneys in the fund are continuously appropriated to the Oregon
6 Liquor Control **and Cannabis** Commission to administer and enforce ORS
7 475B.010 to 475B.395.

8 “SECTION 99. ORS 475B.255, as amended by section 38, chapter 24,
9 Oregon Laws 2016, is amended to read:

10 “475B.255. A person other than a [*person*] **marijuana processor** that
11 holds a license **issued** under ORS 475B.090 may not process cannabinoid ex-
12 tracts into a cannabinoid product.

13 “SECTION 100. ORS 475B.260 is amended to read:

14 “475B.260. (1)(a) A person under 21 years of age may not attempt to pur-
15 chase, purchase or acquire a marijuana item.

16 “(b) For purposes of this subsection, purchasing a marijuana item includes
17 accepting a marijuana item, and acquiring a marijuana item includes con-
18 suming a marijuana item, provided that the consumption of the marijuana
19 item occurred no more than 24 hours before the determination that the per-
20 son consumed the marijuana item.

21 “(2) Except as authorized by the Oregon Liquor Control **and Cannabis**
22 Commission by rule, or as necessary in an emergency, a person under 21
23 years of age may not enter or attempt to enter any portion of a [*licensed*]
24 premises that is posted or otherwise identified as being prohibited to the use
25 of persons under 21 years of age.

26 “(3) A person who violates subsection (1) or (2) of this section commits
27 a Class B violation.

28 “(4) In addition to and not in lieu of any other penalty established by law,
29 a court may require a person under 21 years of age who violates subsection
30 (1) of this section through misrepresentation of age to perform community

1 service, and the court may order that the person's driving privileges and
2 right to apply for driving privileges be suspended for a period not to exceed
3 one year. If a court has issued an order suspending driving privileges under
4 this section, the court, upon petition of the person, may withdraw the order
5 at any time the court deems appropriate. The court notification to the De-
6 partment of Transportation under this subsection may include a recommen-
7 dation that the person be granted a hardship permit under ORS 807.240 if the
8 person is otherwise eligible for the permit.

9 “(5) If a person cited under this section is at least 13 years of age but less
10 than 21 years of age at the time the person is found in default under ORS
11 153.102 or 419C.472 for failure to appear, in addition to and not in lieu of
12 any other penalty, the court shall issue notice under ORS 809.220 to the de-
13 partment for the department to suspend the person's driving privileges under
14 ORS 809.280 (4).

15 “(6) In addition to and not in lieu of any penalty established by law, the
16 court may order a person to undergo assessment and treatment if the person
17 has previously been found to have violated this section.

18 “(7) The prohibitions of this section do not apply to a person under 21
19 years of age who is acting under the direction of the commission or under
20 the direction of state or local law enforcement agencies for the purpose of
21 investigating possible violations of laws prohibiting sales of marijuana items
22 to persons who are under 21 years of age.

23 “(8) The prohibitions of this section do not apply to a person under 21
24 years of age who is acting under the direction of a licensee for the purpose
25 of investigating possible violations by employees of the licensee of laws
26 prohibiting sales of marijuana items to persons who are under 21 years of
27 age.

28 “(9)(a) A person under 21 years of age is not in violation of, and is im-
29 mune from prosecution under, this section if:

30 “(A) The person contacted emergency medical services or a law enforce-

1 ment agency in order to obtain medical assistance for another person who
2 was in need of medical assistance because that person consumed a marijuana
3 item and the evidence of the violation of this section was obtained as a re-
4 sult of the person's having contacted emergency medical services or a law
5 enforcement agency; or

6 “(B) The person was in need of medical assistance because the person
7 consumed a marijuana item and the evidence of the violation of this section
8 was obtained as a result of the person's having sought or obtained the med-
9 ical assistance.

10 “(b) Paragraph (a) of this subsection does not exclude the use of evidence
11 obtained as a result of a person's having sought medical assistance in pro-
12 ceedings for crimes or offenses other than a violation of this section.

13 **“SECTION 101.** ORS 475B.290 is amended to read:

14 “475B.290. For purposes of ORS 475B.010 to 475B.395, the provisions of
15 ORS 183.440 apply to subpoenas issued by the Oregon Liquor Control **and**
16 **Cannabis** Commission and [*any*] **to subpoenas issued by an** authorized
17 agent of the commission.

18 **“SECTION 102.** ORS 475B.295 is amended to read:

19 “475B.295. In addition to any other liability or penalty provided by law,
20 the Oregon Liquor Control **and Cannabis** Commission may impose for each
21 violation of a provision of ORS 475B.010 to 475B.395 or a rule adopted under
22 [*a provision of*] ORS 475B.010 to 475B.395 a civil penalty that does not exceed
23 \$5,000 for each violation. The commission shall impose civil penalties under
24 this section in the manner provided by ORS 183.745. Moneys collected under
25 this section shall be deposited in the Marijuana Control and Regulation
26 Fund established under ORS 475B.240.

27 **“SECTION 103.** ORS 475B.298 is amended to read:

28 “475B.298. If [*it is proved that*] the owner of a building or premises
29 knowingly has used the building or premises **for**, or allowed the building or
30 premises to be occupied for, the [*manufacture, sale or possession*] **pro-**

1 **duction, processing, sale or use** of marijuana items contrary to the pro-
2 visions of ORS 475B.010 to 475B.395, **475B.400 to 475B.525, 475B.550 to**
3 **475B.590 or 475B.600 to 475B.655, or contrary to the provisions of any**
4 **other state law or local ordinance regulating the production, process-**
5 **ing sale or use of marijuana items**, the building or premises [*are*] **is** sub-
6 ject to a lien for, and may be sold to pay all fines and costs assessed against
7 [*their occupants for,*] **the occupants of the building or premises for**, any
8 violation of ORS 475B.010 to 475B.395, **475B.400 to 475B.525, 475B.550 to**
9 **475B.590 or 475B.600 to 475B.655, or any other state law or local ordi-**
10 **nance regulating the production, processing sale or use of marijuana**
11 **items** . The lien must be enforced immediately by civil action in [*any*] a
12 court that has jurisdiction **over the area in which the building or prem-**
13 **ises is located**, by the district attorney of the county in which the building
14 or premises [*are*] **is** located.

15 **“SECTION 104.** ORS 475B.300 is amended to read:

16 “475B.300. The [*state police, sheriffs and police*] **law enforcement** officers
17 of this state may enforce ORS 475B.010 to 475B.395 and assist the Oregon
18 Liquor Control **and Cannabis** Commission in detecting violations of ORS
19 475B.010 to 475B.395 and apprehending offenders. [*An enforcing*] **A law**
20 **enforcement** officer who has notice, knowledge or reasonable ground of
21 suspicion of a violation of ORS 475B.010 to 475B.395 shall immediately notify
22 the district attorney **who has jurisdiction over the violation** and furnish
23 the district attorney **who has jurisdiction over the violation** with names
24 and addresses of any witnesses[,] **to the violation** or other information
25 [*within the officer’s knowledge, of*] **related to** the violation.

26 **“SECTION 105.** ORS 475B.305 is amended to read:

27 “475B.305. (1) When [*an*] **a law enforcement** officer arrests a person for
28 [*violation of*] **violating** ORS 475B.010 to 475B.395, the **law enforcement** of-
29 ficer may take into possession all marijuana items and other property that
30 the **arrested** person [*so arrested*] has in possession, or that is on the prem-

1 ises, that [is] apparently **is** being used in violation of ORS 475B.010 to
2 475B.395.

3 “(2) If a person arrested as described in this section is convicted, and the
4 court finds that the marijuana items and other property have been used in
5 violation of [*the laws of this state*] **ORS 475B.010 to 475B.395:**

6 “(a) The marijuana items must be forfeited to an appropriate state or lo-
7 cal law enforcement agency and must be delivered by the court or **law**
8 **enforcement** officer, at the direction of the court, to the law enforcement
9 agency; and

10 “(b) Subject to **any** other applicable law, the other property must be for-
11 feited to the Oregon Liquor Control **and Cannabis** Commission, and must
12 be delivered by the court or **law enforcement** officer, **at the direction of**
13 **the court**, to the commission.

14 “(3) The commission is authorized to destroy or [*make such other disposi-*
15 *tion*] **otherwise dispose** of any property [*it*] **the commission** receives under
16 subsection (2)(b) of this section [*as it considers to be in the public interest.*
17 *In any such case, all such*], **provided that if the commission elects to sell**
18 **the** property, including furniture, furnishings, **and** equipment and facilities
19 for the storing, serving or using of marijuana items [*must be confiscated and*
20 *forfeited to the state, and*], the clear proceeds **of the sale** must be [*deposited*
21 *with*] **credited to** the State Treasury **and deposited** in the Common School
22 Fund.

23 **“SECTION 106.** ORS 475B.310 is amended to read:

24 “475B.310. The county courts, district attorneys and municipal authori-
25 ties, immediately upon the conviction of [*any*] **a** licensee [*of the Oregon Li-*
26 *quor Control Commission*] of a violation of [*any*] **a** provision of ORS 475B.010
27 to 475B.395, or [*the*] **of a** violation of any other law of this state or ordinance
28 of [*any municipality*] **a city or county located** in this state[, *in which vio-*
29 *lation marijuana had any part,*] **an element of which is the possession,**
30 **delivery or manufacture of a marijuana item,** shall notify the **Oregon**

1 **Liquor Control and Cannabis** Commission of the conviction. [*The county*
2 *courts, district attorneys and municipal authorities shall notify the commission*
3 *of any acts, practices or other conduct of a licensee convicted as described in*
4 *this section that may be subversive of the general welfare or contrary to the*
5 *spirit of ORS 475B.010 to 475B.395 and shall recommend such action on the*
6 *part of the commission as will remove the evil.*]

7 **“SECTION 107.** ORS 475B.325 is amended to read:

8 “475B.325. (1) The governing body of a city or a county, when a petition
9 is filed as provided in this section, shall order an election on the question
10 **as to** whether the operation of [*licensed*] premises **for which a license has**
11 **been issued under ORS 475B.010 to 475B.395** should be prohibited in the
12 city or county.

13 “(2) Except as otherwise provided in this section, the requirements for
14 preparing, circulating and filing a petition under this section:

15 “(a) In the case of a city, must be as provided for an initiative petition
16 under ORS 250.265 to 250.346.

17 “(b) In the case of a county, must be as provided for an initiative petition
18 under ORS 250.165 to 250.235.

19 “(3) A petition under this section:

20 “(a) Must be filed not less than 60 days before the day of the election;
21 and

22 “(b) Must be signed by not less than 10 percent of the electors registered
23 in the city or county.

24 “(4) If ORS 250.155 makes ORS 250.165 to 250.235 inapplicable to a county
25 or if ORS 250.255 makes ORS 250.265 to 250.346 inapplicable to a city, the
26 requirements for preparing, circulating and filing a petition under this sec-
27 tion must be as provided for an initiative petition under the county or city
28 charter or an ordinance adopted under the county or city charter.

29 “(5) A signature is not valid unless signed within 180 days before the pe-
30 tition is filed.

1 “(6) An election under this section must be held at the time of the next
2 statewide general election.

3 “(7) An election under this section must be conducted under ORS chapters
4 246 to 260.

5 **“SECTION 108.** ORS 475B.340, as amended by section 4, chapter 23,
6 Oregon Laws 2016, and section 66, chapter 24, Oregon Laws 2016, is amended
7 to read:

8 “475B.340. (1) For purposes of this section, ‘reasonable regulations’ in-
9 cludes:

10 “(a) Reasonable conditions on the manner in which a marijuana producer
11 [*licensed*] **that holds a license issued** under ORS 475B.070 may produce
12 marijuana or in which a [*person who*] **researcher of cannabis that** holds
13 a certificate issued under ORS 475B.235 may produce marijuana or propagate
14 immature marijuana plants;

15 “(b) Reasonable conditions on the manner in which a marijuana processor
16 [*licensed*] **that holds a license issued** under ORS 475B.090 may process
17 marijuana or in which a [*person who*] **researcher of cannabis that** holds
18 a certificate issued under ORS 475B.235 may process marijuana;

19 “(c) Reasonable conditions on the manner in which a marijuana whole-
20 saler [*licensed*] **that holds a license issued** under ORS 475B.100 may sell
21 marijuana at wholesale;

22 “(d) Reasonable conditions on the manner in which a marijuana retailer
23 [*licensed*] **that holds a license issued** under ORS 475B.110 may sell
24 marijuana items;

25 “(e) Reasonable limitations on the hours during which a premises for
26 which a license has been issued under ORS [*475B.070, 475B.090, 475B.100 or*
27 *475B.110*] **475B.010 to 475B.395** may operate;

28 “(f) Reasonable requirements related to the public’s access to a premises
29 for which a license or certificate has been issued under ORS [*475B.070,*
30 *475B.090, 475B.100, 475B.110 or 475B.235*] **475B.010 to 475B.395;** and

1 “(g) Reasonable limitations on where a premises for which a license or
2 certificate may be issued under ORS [475B.070, 475B.090, 475B.100, 475B.110
3 or 475B.235] **475B.010 to 475B.395** may be located.

4 “(2) Notwithstanding ORS 30.935, 215.253 (1) or 633.738, the governing
5 body of a city or county may adopt ordinances that impose reasonable regu-
6 lations on the operation of businesses located at premises for which a license
7 **or certificate** has been issued under ORS [475B.070, 475B.090, 475B.100 or
8 475B.110, or for which a certificate has been issued under ORS 475B.235,]
9 **475B.010 to 475B.395** if the premises are located in the area subject to the
10 jurisdiction of the city or county, except that the governing body of a city
11 or county may not:

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

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

20 “(A) Was constructed on or before July 1, 2015, in compliance with all
21 applicable land use and building code requirements at the time of con-
22 struction;

23 “(B) Is located at an address where a marijuana grow site first registered
24 with the Oregon Health Authority under ORS 475B.420 on or before January
25 1, 2015;

26 “(C) Was used to produce marijuana pursuant to the provisions of ORS
27 475B.400 to 475B.525 on or before January 1, 2015; and

28 “(D) Has four opaque walls and a roof.

29 “**SECTION 109.** ORS 475B.345, as amended by section 3, chapter 91,
30 Oregon Laws 2016, is amended to read:

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

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

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

11 “[(3)] (2) Subject to subsection (5) of this section, the governing body of
12 a city or county may adopt an ordinance to be referred to the electors of the
13 city or county as described in subsection (4) of this section that imposes a
14 tax or a fee on the sale of marijuana items that are sold in the area subject
15 to the jurisdiction of the city or the unincorporated area subject to the ju-
16 risdiction of a county by a [person] **marijuana retailer** that holds a license
17 **issued** under ORS 475B.110.

18 “[(4)] (3) If the governing body of a city or county adopts an ordinance
19 under this section, the governing body shall refer the measure of the ordi-
20 nance to the electors of the city or county for approval at the next statewide
21 general election.

22 “[(5)] (4) An ordinance adopted under this section may not impose a tax
23 or fee:

24 “(a) In excess of three percent; or

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

28 “**SECTION 110.** ORS 475B.350 is amended to read:

29 “475B.350. The Oregon Health Authority shall assist and cooperate with
30 the Oregon Liquor Control **and Cannabis** Commission and the State De-

1 partment of Agriculture to the extent necessary for the commission and the
2 department to carry out the duties of the commission and the department
3 under ORS 475B.010 to 475B.395.

4 **SECTION 111.** ORS 475B.353 is amended to read:

5 “475B.353. The State Department of Agriculture shall assist and cooperate
6 with the Oregon Liquor Control **and Cannabis** Commission and the Oregon
7 Health Authority to the extent necessary for the commission and the au-
8 thority to carry out the duties of the commission and the authority under
9 ORS 475B.010 to 475B.395.

10 **SECTION 112.** ORS 475B.355 is amended to read:

11 “475B.355. (1) The Oregon Liquor Control **and Cannabis** Commission, the
12 State Department of Agriculture and the Oregon Health Authority may not
13 refuse to perform any duty under ORS 475B.010 to 475B.395 on the basis that
14 manufacturing, distributing, dispensing, possessing or using marijuana is
15 prohibited by federal law.

16 “(2) The commission may not revoke or refuse to issue or renew a
17 license, **certificate or permit** under ORS 475B.010 to 475B.395 on the basis
18 that manufacturing, distributing, dispensing, possessing or using marijuana
19 is prohibited by federal law.

20 **SECTION 113.** ORS 475B.358 is amended to read:

21 “475B.358. A person may not sue the Oregon Liquor Control **and**
22 **Cannabis** Commission or a member of the commission, the State Department
23 of Agriculture or the Oregon Health Authority, or any employee of the
24 commission, department or authority, for performing or omitting to perform
25 any duty, function or power of the commission, department or authority set
26 forth in ORS 475B.010 to 475B.395 or in any other law of this state requiring
27 the commission, department or authority to perform a duty, function or
28 power related to marijuana **items**.

29 **SECTION 114.** ORS 475B.365 is amended to read:

30 “475B.365. In case of invasion, disaster, insurrection or riot, or imminent

1 danger of invasion, disaster, insurrection or riot, the Governor may, for the
2 duration of the invasion, disaster, insurrection or riot, or imminent danger,
3 immediately **and without notice** suspend [*without notice any license*] in the
4 area involved [*granted*] **any license, certificate or permit issued** under
5 ORS 475B.010 to 475B.395.

6 **SECTION 115.** ORS 475B.370, as amended by section 3, chapter 23,
7 Oregon Laws 2016, is amended to read:

8 “475B.370. (1) Marijuana is:

9 “(a) A crop for the purposes of ‘farm use’ as defined in ORS 215.203;

10 “(b) A crop for purposes of a ‘farm’ and ‘farming practice,’ both as defined
11 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, 215 and 227, the follow-
15 ing are not permitted 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
18 in conjunction with a marijuana crop; and

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

21 “(3) A county may allow the production of marijuana as a farm use on
22 land zoned for farm or forest use in the same manner as the production of
23 marijuana is allowed in exclusive farm use zones under this section and ORS
24 215.213, 215.283 and 475B.063.

25 “(4) This section applies to:

26 “(a) Marijuana producers [*licensed*] **that hold a license issued** under
27 ORS 475B.070;

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

1 “(c) For the purpose of producing marijuana or propagating immature
2 marijuana plants, [*persons who hold certificates*] **researchers of cannabis**
3 **that hold a certificate issued** under ORS 475B.235.

4 **“SECTION 116.** ORS 475B.399 is amended to read:

5 “475B.399. (1) As used in this section, ‘marijuana’ and ‘marijuana item’
6 have the meanings given those terms in ORS 475B.015.

7 “(2) On or before February 1 of each odd-numbered year, the Oregon Li-
8 quor Control **and Cannabis** Commission shall report to the Legislative As-
9 sembly in the manner required by ORS 192.245, the approximate amount of
10 marijuana produced by [*persons who hold a license*] **marijuana producers**
11 **that hold a license issued** under ORS 475B.070 and the approximate amount
12 of marijuana items sold by [*persons who hold a license*] **marijuana retailers**
13 **that hold a license issued** under ORS 475B.110, and whether the supply of
14 marijuana in this state is commensurate with the demand for marijuana
15 items in this state.

16 **“SECTION 117.** Section 9, chapter 23, Oregon Laws 2016, is amended to
17 read:

18 **“Sec. 9.** For the purpose of requesting a state or nationwide criminal
19 records check under ORS 181A.195, the Oregon Liquor Control **and**
20 **Cannabis** Commission may require the fingerprints of any individual listed
21 on an application submitted under ORS 475B.218.

22 **“SECTION 118.** Section 10, chapter 23, Oregon Laws 2016, is amended to
23 read:

24 **“Sec. 10.** For the purpose of requesting a state or nationwide criminal
25 records check under ORS 181A.195, the Oregon Liquor Control **and**
26 **Cannabis** Commission may require the fingerprints of any individual listed
27 on an application submitted under ORS 475B.235. The powers conferred on
28 the commission under this section include the power to require the finger-
29 prints of:

30 “(1) If the applicant is a limited partnership, each partner of the limited

1 partnership;

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

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

6 “(4) Any individual who holds a financial interest of 10 percent or more
7 in the person applying for the certificate; and

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

10 • **“SECTION 119.** Section 15, chapter 24, Oregon Laws 2016, is amended to
11 read:

12 **“Sec. 15.** Except for the power to adopt rules, the Oregon Liquor Control
13 **and Cannabis** Commission may delegate to the administrator appointed un-
14 der ORS 471.720 any of the commission’s functions, duties and powers as
15 prescribed by ORS 475B.010 to 475B.395, 475B.400 to 475B.525, 475B.550 to
16 475B.590, 475B.600 to 475B.655 and 475B.800 or any other law of the state
17 related to the regulation of marijuana items.

18 **“SECTION 120.** Section 22, chapter 24, Oregon Laws 2016, is amended to
19 read:

20 • **“Sec. 22.** (1) Subject to subsection (2) of this section, information is ex-
21 empt from public disclosure under ORS 192.410 to 192.505 if the information
22 is:

23 “(a) The address of a premises for which a license has been issued or for
24 which an applicant has proposed [*to be licensed*] **licensure** under ORS
25 475B.070, 475B.090 or 485B.100;

26 “(b) Is related to the security plan or the operational plan for a premises
27 for which a license has been issued or for which an applicant has proposed
28 [*to be licensed*] **licensure** under ORS [*475B.070, 475B.090, 485B.100 or*
29 *475B.110*] **475B.010 to 475B.395**; or

30 • “(c) Is related to any record that the Oregon Liquor Control **and**

1 **Cannabis** Commission determines contains proprietary information of a
2 [*person who holds a license under ORS 475B.070, 475B.090, 485B.100 or*
3 *475B.110*] licensee.

4 “(2) The exemption from public disclosure as provided by this section does
5 not apply to a request for information if the request is made by a law
6 enforcement agency.

7 **“SECTION 121.** Section 29b, chapter 83, Oregon Laws 2016, is amended
8 to read:

9 **“Sec. 29b.** (1) Notwithstanding ORS 475B.110 (2)(d), a city or county may
10 [*adopt an ordinance allowing*] **allow** a premises for which a license has been
11 issued under ORS 475B.110 to be located within [*500*] **1,000** feet of a public
12 elementary or secondary school for which attendance is compulsory under
13 ORS 339.020, or a private or parochial elementary or secondary school
14 teaching children as described in ORS 339.030 (1)(a), if:

15 **“(a) The premises is not located within 500 feet of the school; and**

16 **“(b) The county or city determines that a physical or geographic barrier**
17 **capable of preventing children from traversing to the [*school*] premises sep-**
18 **arates the premises from the school.**

19 **“(2) A city or county that [*adopts an ordinance*] makes an allowance**
20 **under this section must inform the Oregon Liquor Control and Cannabis**
21 **Commission, in a form and manner prescribed by the commission, of the**
22 **[*content and effective date of the ordinance*] allowance.**

23

24 **(Rules Advisory Committee)**

25 **(Operative January 1, 2018)**

26

27 **“SECTION 122.** Section 123 of this 2017 Act is added to and made a
28 **part of ORS 475B.010 to 475B.395.**

29 **“SECTION 123.** (1) There is established under the jurisdiction of the
30 **Oregon Liquor Control and Cannabis Commission an advisory com-**

1 mittee for the purpose of advising the commission with respect to:

2 (a) Administering ORS 475B.010 to 475B.395, 475B.550 to 475B.590 and
3 475B.600 to 475B.655; and

4 (b) Adopting rules under ORS 475B.010 to 475B.395, 475B.550 to
5 475B.590 and 475B.600 to 475B.655.

6 “(2) The committee consists of the following seven members ap-
7 pointed by the chairperson of the commission:

8 “(a) A marijuana producer that holds a license issued under ORS
9 475B.070;

10 “(b) A marijuana processor that holds a license issued under ORS
11 475B.090;

12 “(c) A marijuana retailer that holds a license issued under ORS
13 475B.110;

14 “(d) A licensee that holds any license issued under ORS 475B.010 to
15 475B.395;

16 “(e) A law enforcement officer;

17 “(f) A local health officer, as defined in ORS 431.003; and

18 “(g) A member of the public.

19 “(3) The committee shall provide the commission with advice on
20 administering ORS 475B.010 to 475B.395, 475B.550 to 475B.590 and
21 475B.600 to 475B.655 and adopting rules under ORS 475B.010 to 475B.395,
22 475B.550 to 475B.590 and 475B.600 to 475B.655.

23 “(4) A majority of the members of the committee constitutes a
24 quorum for the transaction of business.

25 “(5) Official action by the committee requires the approval of a
26 majority of the members of the committee.

27 “(6) The committee shall elect one of its members to serve as
28 chairperson from among the members described in subsection (2)(a),
29 (b), (c) or (d) of this section.

30 “(7) The committee shall meet at times and places specified by the

1 call of the chairperson or of a majority of the members of the com-
2 mittee.

3 “(8) The term of office of each member of the committee is four
4 years, but a member serves at the pleasure of the Governor. Before
5 the expiration of the term of a member, the Governor shall appoint a
6 successor whose term begins July 1 next following. A member is eli-
7 gible for reappointment, but may not serve consecutive terms. If there
8 is a vacancy for any cause, the Governor shall make an appointment
9 to become immediately effective for the unexpired term.

10 “(9) Members of the committee are entitled to compensation and
11 reimbursement for expenses as provided in ORS 292.495.

12 **“SECTION 124.** Notwithstanding the term of office specified by
13 section 123 of this 2017 Act, of the members first appointed to the ad-
14 visory committee established under section 123 of this 2017 Act:

15 “(1) One shall serve for a term ending January 1, 2019;

16 “(2) Two shall serve for terms ending January 1, 2020;

17 “(3) Two shall serve for terms ending January 1, 2021; and

18 “(4) Two shall serve for terms ending January 1, 2022.

19
20 (Amendments)

21 (Operative March 30, 2019)

22
23 **“SECTION 125.** ORS 475B.160, as amended by section 23, chapter 23,
24 Oregon Laws 2016, section 65, chapter 24, Oregon Laws 2016, section 12,
25 chapter 83, Oregon Laws 2016, and section 84 of this 2017 Act, is amended
26 to read:

27 “475B.160. (1) [*Except as provided in section 22, chapter 23, Oregon Laws*
28 *2016, and section 2, chapter 83, Oregon Laws 2016,*] A marijuana producer that
29 holds a license issued under ORS 475B.070, marijuana processor that holds
30 a license issued under ORS 475B.090 or marijuana wholesaler that holds a

1 license issued under ORS 475B.100 may deliver marijuana items only to or
2 on a premises for which a license has been issued under ORS 475B.070,
3 475B.090, 475B.100 or 475B.110 or to a registry identification cardholder or
4 designated primary caregiver as allowed under ORS 475B.010 to 475B.395.

5 “(2) A licensee to whom marijuana items may be delivered under sub-
6 section (1) of this section may receive marijuana items only from:

7 “(a) A marijuana producer that holds a license issued under ORS
8 475B.070, marijuana processor that holds a license issued under ORS 475B.090
9 or marijuana wholesaler that holds a license issued under ORS 475B.100; **or**

10 “(b) A researcher of cannabis that holds a certificate issued under ORS
11 475B.235 and that transfers limited amounts of marijuana, usable marijuana,
12 cannabinoid products, cannabinoid concentrates and cannabinoid extracts in
13 accordance with procedures adopted under ORS 475B.235 (3)(d) and (e)[; or].

14 “[*(c) A marijuana grow site registered under ORS 475B.420, marijuana*
15 *processing site registered under ORS 475B.435, or a medical marijuana*
16 *dispensary registered under ORS 475B.450, acting in accordance with proce-*
17 *dures adopted by the commission under section 25, chapter 24, Oregon Laws*
18 *2016.*]

19 “(3) The sale of marijuana items by a marijuana retailer that holds a li-
20 cense issued under ORS 475B.110 must be restricted to the premises for
21 which the license has been issued, but deliveries may be made by a
22 marijuana retailer to consumers pursuant to a bona fide order received at
23 the premises prior to delivery.

24 **“SECTION 126.** ORS 475B.235, as amended by section 24, chapter 23,
25 Oregon Laws 2016, section 12, chapter 24, Oregon Laws 2016, and section 97
26 of this 2017 Act, is amended to read:

27 “475B.235. (1) The Oregon Liquor Control and Cannabis Commission, in
28 consultation with the Oregon Health Authority and the State Department
29 of Agriculture, shall establish a program for the purpose of identifying and
30 certifying private and public researchers of cannabis.

1 “(2)(a) The authority shall assist the commission in identifying candidates
2 for certification under this section with respect to potential medical re-
3 search.

4 “(b) The department shall assist the commission in identifying candidates
5 for certification under this section with respect to potential agricultural re-
6 search.

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

9 “(a) Qualifications for certification under this section;

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

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

13 “(d) Procedures for tracking marijuana, usable marijuana, cannabinoid
14 products, cannabinoid concentrates and cannabinoid extracts received by and
15 disposed or otherwise made use of by a person that holds a certificate issued
16 under this section; and

17 “(e) Procedures for disposing or otherwise making use of marijuana, usa-
18 ble marijuana, cannabinoid products, cannabinoid concentrates and
19 cannabinoid extracts.

20 “(4) In establishing qualifications under subsection (3) of this section, the
21 commission shall consider the following:

22 “(a) A research applicant’s access to funding and the overall cost of the
23 proposed research;

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

26 “(c) Legal barriers to conducting the proposed research or legal risks as-
27 sociated with conducting the proposed research.

28 “(5) In adopting procedures under subsection (3)(d) and (e) of this section
29 with respect to making use of marijuana, usable marijuana, cannabinoid
30 products, cannabinoid concentrates and cannabinoid extracts, the commission

1 shall also adopt procedures by which a person that holds a certificate issued
2 under this section may transfer limited amounts of marijuana, usable
3 marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid
4 extracts to another person that holds a certificate issued under this section
5 or to a premises for which a license has been issued under ORS 475B.070,
6 475B.090, 475B.100 or 475B.110.

7 *“[(6) In adopting procedures under subsection (3)(d) and (e) of this section*
8 *with respect to making use of marijuana, usable marijuana, cannabinoid pro-*
9 *ducts, cannabinoid concentrates and cannabinoid extracts, the commission*
10 *shall also adopt procedures by which a person certified under this section may*
11 *give, devise or bequest usable marijuana, immature marijuana plants,*
12 *marijuana seeds, cannabinoid products, cannabinoid concentrates and*
13 *cannabinoid extracts to a medical marijuana dispensary registered with the*
14 *authority under ORS 475B.450 and owned by a nonprofit corporation organ-*
15 *ized under ORS chapter 65 for purposes described in section 22, chapter 23,*
16 *Oregon Laws 2016.]*

17 *“[(7)] (6) A person that holds a certificate issued under this section:*

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

21 *“(b) May not sell or otherwise transfer marijuana, usable marijuana,*
22 *cannabinoid products, cannabinoid concentrates or cannabinoid extracts to*
23 *any other person, except as provided in this section and rules adopted by the*
24 *commission under this section.*

25 *“[(8)] (7) Except as otherwise provided by the commission by rule, rules*
26 *adopted by the commission for the purpose of administering and enforcing*
27 *ORS 475B.010 to 475B.395 with respect to licensees and licensee represen-*
28 *tatives apply to persons that hold a certificate issued under this section and*
29 *persons employed by or who otherwise perform work for persons that hold*
30 *a certificate issued under this section.*

1 “[9] (8) A person that holds a certificate issued under this section, and
2 an employee of or other person who performs work for a person that holds
3 a certificate issued under this section, is exempt from the criminal laws of
4 this state for possession, delivery or manufacture of marijuana, aiding and
5 abetting another in the possession, delivery and manufacture of marijuana,
6 or any other criminal offense in which possession, delivery or manufacture
7 of marijuana is an element, while performing activities related to conducting
8 research as described in this section.

9 **“SECTION 127.** ORS 475B.245, as amended by section 27, chapter 23,
10 Oregon Laws 2016, section 36, chapter 24, Oregon Laws 2016, and section 13,
11 chapter 83, Oregon Laws 2016, is amended to read:

12 “475B.245. ORS 475B.025, 475B.030, 475B.033, 475B.035, 475B.040, 475B.045,
13 475B.050, 475B.055, 475B.060, 475B.063, 475B.065, 475B.068, 475B.070, 475B.075,
14 475B.090, 475B.100, 475B.110, 475B.115, 475B.125, 475B.130, 475B.135, 475B.140,
15 475B.145, 475B.150, 475B.160, 475B.165, 475B.170, 475B.180, 475B.190, 475B.195,
16 475B.200, 475B.205, 475B.210, 475B.215, 475B.218, 475B.230, 475B.233, 475B.235,
17 475B.240, 475B.325, 475B.330, 475B.335, 475B.340, 475B.345, 475B.350, 475B.353,
18 475B.355, 475B.358, 475B.360, 475B.365, 475B.370 and 475B.373 and sections 2,
19 3, 4 and 5, chapter 83, Oregon Laws 2016, do not apply:

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

24 “(2) To the possession or storage of usable marijuana items at a household
25 by one or more persons 21 years of age or older, if the total amount of usable
26 marijuana at the household does not exceed eight ounces of usable marijuana
27 at any time.

28 “(3) To the making, processing, possession or storage of cannabinoid pro-
29 ducts at a household by one or more persons 21 years of age and older, if the
30 total amount of cannabinoid products at the household does not exceed 16

1 ounces in solid form at any time.

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

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

10 “(6) To the possession of cannabinoid extracts at a household by one or
11 more persons 21 years of age or older, if the cannabinoid extracts were pur-
12 chased from a marijuana retailer that holds a license under ORS 475B.110[,
13 *or transferred by a medical marijuana dispensary registered by the Oregon*
14 *Health Authority under ORS 475B.450,*] and the total amount of cannabinoid
15 extracts at the household does not exceed one ounce at any time.

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

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

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

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

28 **“SECTION 128.** ORS 475B.340, as amended by section 4, chapter 23,
29 Oregon Laws 2016, and section 66, chapter 24, Oregon Laws 2016, and section
30 108 of this 2017 Act, is amended to read:

1 “475B.340. (1) For purposes of this section, ‘reasonable regulations’ in-
2 cludes:

3 “(a) Reasonable conditions on the manner in which a marijuana producer
4 that holds a license issued under ORS 475B.070 may produce marijuana or
5 in which a researcher of cannabis that holds a certificate issued under ORS
6 475B.235 may produce marijuana or propagate immature marijuana plants;

7 “(b) Reasonable conditions on the manner in which a marijuana processor
8 that holds a license issued under ORS 475B.090 may process marijuana or in
9 which a researcher of cannabis that holds a certificate issued under ORS
10 475B.235 may process marijuana;

11 “(c) Reasonable conditions on the manner in which a marijuana whole-
12 saler that holds a license issued under ORS 475B.100 may sell marijuana at
13 wholesale;

14 “(d) Reasonable conditions on the manner in which a marijuana retailer
15 that holds a license issued under ORS 475B.110 may sell marijuana items;

16 “(e) Reasonable limitations on the hours during which a premises for
17 which a license has been issued under ORS 475B.010 to 475B.395 may operate;

18 “(f) Reasonable requirements related to the public’s access to a premises
19 for which a license or certificate has been issued under ORS 475B.010 to
20 475B.395; [and]

21 “(g) Reasonable limitations on where a premises for which a license or
22 certificate may be issued under ORS 475B.010 to 475B.395 may be located;
23 **and**

24 **“(h) Regulations specifying that marijuana may be produced, pro-
25 cessed or sold for medical purposes only.**

26 “(2) Notwithstanding ORS 30.935, 215.253 (1) or 633.738, the governing
27 body of a city or county may adopt ordinances that impose reasonable regu-
28 lations on the operation of businesses located at premises for which a license
29 or certificate has been issued under ORS 475B.010 to 475B.395 if the premises
30 are located in the area subject to the jurisdiction of the city or county, ex-

1 cept that the governing body of a city or county may not:

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

6 “(b) Adopt an ordinance that imposes a setback requirement for an agri-
7 cultural building used to produce marijuana located on a premises for which
8 a license has been issued under ORS 475B.070 if the agricultural building:

9 “(A) Was constructed on or before July 1, 2015, in compliance with all
10 applicable land use and building code requirements at the time of con-
11 struction;

12 “[*(B)* *Is located at an address where a marijuana grow site first registered*
13 *with the Oregon Health Authority under ORS 475B.420 on or before January*
14 *1, 2015;*]

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

17 “[*(D)*] **(C)** Has four opaque walls and a roof.

18 **“SECTION 129.** ORS 475B.370, as amended by section 3, chapter 23,
19 Oregon Laws 2016, and section 115 of this 2017 Act, is amended to read:

20 “475B.370. (1) Marijuana is:

21 “(a) A crop for the purposes of ‘farm use’ as defined in ORS 215.203;

22 “(b) A crop for purposes of a ‘farm’ and ‘farming practice,’ both as defined
23 in ORS 30.930;

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

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

26 “(2) Notwithstanding ORS chapters 195, 196, 197, 215 and 227, the follow-
27 ing are not permitted uses on land designated for exclusive farm use:

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

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

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

3 “(3) A county may allow the production of marijuana as a farm use on
4 land zoned for farm or forest use in the same manner as the production of
5 marijuana is allowed in exclusive farm use zones under this section and ORS
6 215.213, 215.283 and 475B.063.

7 “(4) This section applies to:

8 “(a) Marijuana producers that hold a license issued under ORS 475B.070;

9 **and**

10 “[*(b) Persons registered under ORS 475B.420 and designated to produce*
11 *marijuana by one or more persons who hold valid registry identification cards*
12 *issued under ORS 475B.415; and*]

13 “[*(c)*] **(b)** For the purpose of producing marijuana or propagating imma-
14 ture marijuana plants, researchers of cannabis that hold a certificate issued
15 under ORS 475B.235.

16 **“SECTION 130.** ORS 475B.375, as amended by section 6, chapter 23,
17 Oregon Laws 2016, and section 14, chapter 83, Oregon Laws 2016, is amended
18 to read:

19 “475B.375. [*Except for ORS 475B.370 and 475B.373,*] ORS 475B.010 to
20 475B.395:

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

23 “(2) Do not amend or affect duties, functions and powers of the [*Oregon*
24 *Health Authority*] **Medical Use of Cannabis Board** under the Oregon Med-
25 ical Marijuana Act.

26
27 **(Repeals)**

28 **(Operative March 30, 2019)**

29
30 **“SECTION 131.** Section 2, chapter 23, Oregon Laws 2016, is repealed.

1 **TESTING, PACKAGING, LABELING**
2 **AND OTHER LAWS REGULATING CANNABIS**

3
4 **(Amendments)**

5 **(Effective 91st Day After Adjournment Sine Die)**
6

7 **“SECTION 132.** ORS 475B.555 is amended to read:

8 “475B.555. (1) As is necessary to protect the public health and safety, and
9 in consultation with the Oregon Liquor Control **and Cannabis** Commission
10 and the State Department of Agriculture, the Oregon Health Authority shall
11 adopt rules:

12 “(a) Establishing standards for testing marijuana items.

13 “(b) Identifying appropriate tests for marijuana items, depending on the
14 type of marijuana item and the manner in which the marijuana item was
15 produced or processed, that are necessary to protect the public health and
16 safety, including, but not limited to, tests for:

17 “(A) Microbiological contaminants;

18 “(B) Pesticides;

19 “(C) Other contaminants;

20 “(D) Solvents or residual solvents; and

21 “(E) Tetrahydrocannabinol and cannabidiol concentration.

22 “(c) Establishing procedures for determining batch sizes and for sampling
23 usable marijuana, cannabinoid products and cannabinoid concentrates or
24 extracts.

25 “(d) Establishing different minimum standards for different varieties of
26 usable marijuana and different types of cannabinoid products and
27 cannabinoid concentrates and extracts.

28 “(2) In addition to the testing requirements established under subsection
29 (1) of this section, the authority or the commission may require cannabinoid
30 edibles to be tested in accordance with any applicable law of this state, or

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1 any applicable rule adopted under a law of this state, related to the pro-
2 duction and processing of food products or commodities.

3 “(3) In adopting rules under ORS 475B.400 to 475B.525, the authority may
4 require:

5 “(a) A person responsible for a marijuana grow site under ORS 475B.420
6 to test usable marijuana before transferring the usable marijuana to a reg-
7 istrant other than an individual who holds a registry identification card
8 under ORS 475B.415; and

9 “(b) A person processing marijuana to test cannabinoid products or
10 cannabinoid concentrates or extracts before transferring the cannabinoid
11 products or cannabinoid concentrates or extracts to a registrant other than
12 an individual who holds a registry identification card under ORS 475B.415.

13 “(4) In adopting rules under ORS 475B.010 to 475B.395, the commission
14 may require:

15 “(a) A marijuana producer that holds a license under ORS 475B.070 or a
16 marijuana wholesaler that holds a license under ORS 475B.100 to test usable
17 marijuana before selling or transferring the usable marijuana; and

18 “(b) A marijuana processor that holds a license under ORS 475B.090 or a
19 marijuana wholesaler that holds a license under ORS 475B.100 to test
20 cannabinoid products or cannabinoid concentrates or extracts before selling
21 or transferring the cannabinoid products or cannabinoid concentrates or ex-
22 tracts.

23 “(5) The authority and the commission may conduct random testing of
24 marijuana items for the purpose of determining whether a person subject to
25 testing under subsection (3) of this section or a licensee subject to testing
26 under subsection (4) of this section is in compliance with this section.

27 “(6) In adopting rules to implement this section, the authority and com-
28 mission may not require a marijuana item to undergo the same test more
29 than once unless the marijuana item is processed into a different type of
30 marijuana item or the condition of the marijuana item has fundamentally

1 changed.

2 “(7) The testing of marijuana items as required by this section must be
3 conducted by a laboratory licensed by the commission under ORS 475B.560
4 and accredited by the authority under ORS 475B.565.

5 “(8) In adopting rules under subsection (1) of this section, the authority:

6 “(a) Shall consider the cost of a potential testing procedure and how that
7 cost will affect the cost to the ultimate consumer of the marijuana item; and

8 “(b) May not adopt rules that are more restrictive than is reasonably
9 necessary to protect the public health and safety.

10 **“SECTION 133.** ORS 475B.560 is amended to read:

11 “475B.560. (1) A laboratory that conducts testing of marijuana items as
12 required by ORS 475B.555 must have a license to operate at the premises at
13 which the marijuana items are tested.

14 “(2) For purposes of this section, the Oregon Liquor Control **and**
15 **Cannabis** Commission shall adopt rules establishing:

16 “(a) Qualifications to be licensed under this section, including that an
17 applicant for licensure under this section must be accredited by the Oregon
18 Health Authority as described in ORS 475B.565;

19 “(b) Processes for applying for and renewing a license under this section;

20 “(c) Fees for applying for, receiving and renewing a license under this
21 section; and

22 “(d) Procedures for:

23 “(A) Tracking usable marijuana, cannabinoid products and cannabinoid
24 concentrates or extracts to be tested;

25 “(B) Documenting and reporting test results; and

26 “(C) Disposing of samples of usable marijuana, cannabinoid products and
27 cannabinoid concentrates or extracts that have been tested.

28 “(3) A license issued under this section must be renewed annually.

29 “(4) The commission may inspect premises licensed under this section to
30 ensure compliance with ORS 475B.550 to 475B.590 and rules adopted under

1 ORS 475B.550 to 475B.590.

2 “(5) Subject to the applicable provisions of ORS chapter 183, the com-
3 mission may refuse to issue or renew, or may suspend or revoke, a license
4 issued under this section for violation of:

5 “(a) A provision of ORS 475B.550 to 475B.590 or a rule adopted under a
6 provision of ORS 475B.550 to 475B.590; or

7 “(b) A provision of ORS 475B.010 to 475B.395 or a rule adopted under a
8 provision of ORS 475B.010 to 475B.395.

9 “(6) Fees adopted under subsection (2)(c) of this section must be reason-
10 ably calculated to pay the expenses incurred by the commission under ORS
11 475B.550 to 475B.590.

12 “(7) Fee moneys collected under this section shall be deposited in the
13 Marijuana Control and Regulation Fund established under ORS 475B.240 and
14 are continuously appropriated to the commission for the purpose of carrying
15 out the duties, functions and powers of the commission under ORS 475B.550
16 to 475B.590.

17 **“SECTION 134.** ORS 475B.575 is amended to read:

18 “475B.575. Subject to the applicable provisions of ORS chapter 183, if an
19 applicant or licensee violates a provision of ORS 475B.550 to 475B.590 or a
20 rule adopted under a provision of ORS 475B.550 to 475B.590, the Oregon Li-
21 quor Control **and Cannabis** Commission may refuse to issue or renew, or
22 may suspend or revoke, a license issued under ORS [475B.070, 475B.090,
23 475B.100 or 475B.110] **475B.010 to 475B.395.**

24 **“SECTION 135.** ORS 475B.605 is amended to read:

25 “475B.605. (1) As is necessary to protect the public health and safety, and
26 in consultation with the Oregon Liquor Control **and Cannabis** Commission
27 and the State Department of Agriculture, the Oregon Health Authority shall
28 adopt rules establishing standards for the labeling of marijuana items, in-
29 cluding but not limited to:

30 “(a) Ensuring that usable marijuana, cannabinoid concentrates and ex-

1 tracts, cannabinoid edibles and other cannabinoid products have labeling
2 that communicates:

3 “(A) Health and safety warnings;

4 “(B) Activation time;

5 “(C) Results of tests conducted pursuant to ORS 475B.550 to 475B.590;

6 “(D) Potency;

7 “(E) For cannabinoid products and cannabinoid concentrates and extracts,
8 serving size and the number of servings included in a cannabinoid product
9 or cannabinoid concentrate or extract package; and

10 “(F) Content of the marijuana item; and

11 “(b) Labeling that is in accordance with applicable state food labeling
12 requirements for the same type of food product or potable liquid when the
13 food product or potable liquid does not contain marijuana or cannabinoids.

14 “(2) In adopting rules under ORS 475B.400 to 475B.525, the authority shall
15 require all usable marijuana, cannabinoid products and cannabinoid concen-
16 trates and extracts transferred by a medical marijuana dispensary registered
17 under ORS 475B.450 to be labeled in accordance with subsection (1) of this
18 section and rules adopted under subsection (1) of this section.

19 “(3) In adopting rules under ORS 475B.010 to 475B.395, the commission
20 shall require all usable marijuana, cannabinoid products and cannabinoid
21 concentrates and extracts sold or transferred by a marijuana retailer that
22 holds a license **issued** under ORS 475B.110 to be labeled in accordance with
23 subsection (1) of this section and rules adopted under subsection (1) of this
24 section.

25 “(4) In adopting rules under subsection (1) of this section, the authority:

26 “(a) May establish different labeling standards for different varieties of
27 usable marijuana and for different types of cannabinoid products and
28 cannabinoid concentrates and extracts;

29 “(b) May establish different minimum labeling standards for persons reg-
30 istered under ORS 475B.400 to 475B.525 and persons licensed under ORS

1 475B.010 to 475B.395;

2 “(c) Shall consider the cost of a potential requirement and how that cost
3 will affect the cost to the ultimate consumer of the marijuana item; and

4 “(d) May not adopt rules that are more restrictive than is reasonably
5 necessary to protect the public health and safety.

6 **“SECTION 136.** ORS 475B.610 is amended to read:

7 “475B.610. (1) As used in this section:

8 “(a) ‘Licensee’ has the meaning given that term in ORS 475B.015.

9 “(b) ‘Registrant’ means a person registered under ORS 475B.400 to
10 475B.525.

11 “(2) The Oregon Liquor Control **and Cannabis** Commission may by rule
12 require a licensee, and the Oregon Health Authority may by rule require a
13 registrant, to submit a label intended for use on a marijuana item for pre-
14 approval by the commission before the licensee or registrant may sell or
15 transfer a marijuana item bearing the label. The commission shall determine
16 whether a label submitted under this section complies with ORS 475B.605 and
17 any rule adopted under ORS 475B.605.

18 “(3) The commission may impose a fee for submitting a label for preap-
19 proval under this section that is reasonably calculated to not exceed the cost
20 of administering this section.

21 **“SECTION 137.** ORS 475B.615 is amended to read:

22 “475B.615. (1) As is necessary to protect the public health and safety, and
23 in consultation with the Oregon Health Authority and the State Department
24 of Agriculture, the Oregon Liquor Control **and Cannabis** Commission shall
25 adopt rules establishing standards for the packaging of marijuana items, in-
26 cluding but not limited to:

27 “(a) Ensuring that usable marijuana, cannabinoid concentrates and ex-
28 tracts, cannabinoid edibles and other cannabinoid products are:

29 “(A) Packaged in child-resistant safety packaging; and

30 “(B) Not marketed in a manner that:

1 “(i) Is untruthful or misleading;
2 “(ii) Is attractive to minors; or
3 “(iii) Otherwise creates a significant risk of harm to public health and
4 safety; and

5 “(b) Ensuring that cannabinoid edibles and other cannabinoid products
6 are not packaged in a manner that is attractive to minors.

7 “(2) In adopting rules under ORS 475B.400 to 475B.525, the authority shall
8 require all usable marijuana, cannabinoid products and cannabinoid concen-
9 trates and extracts transferred by a medical marijuana dispensary registered
10 under ORS 475B.450 to be packaged in accordance with subsection (1) of this
11 section and rules adopted under subsection (1) of this section.

12 “(3) In adopting rules under ORS 475B.010 to 475B.395, the commission
13 shall require all usable marijuana, cannabinoid products and cannabinoid
14 concentrates and extracts sold or transferred by a marijuana retailer that
15 holds a license **issued** under ORS 475B.110 to be packaged in accordance
16 with subsection (1) of this section and rules adopted under subsection (1) of
17 this section.

18 “(4) In adopting rules under subsection (1) of this section the commission:

19 “(a) May establish different packaging standards for different varieties
20 of usable marijuana and for different types of cannabinoid products and
21 cannabinoid concentrates and extracts;

22 “(b) May establish different minimum packaging standards for persons
23 registered under ORS 475B.400 to 475B.525 and persons licensed under ORS
24 475B.010 to 475B.395;

25 “(c) May consider the effect on the environment of requiring certain
26 packaging;

27 “(d) Shall consider the cost of a potential requirement and how that cost
28 will affect the cost to the ultimate consumer of the marijuana item; and

29 “(e) May not adopt rules that are more restrictive than is reasonably
30 necessary to protect the public health and safety.

1 **SECTION 138.** ORS 475B.620 is amended to read:

2 “475B.620. (1) As used in this section:

3 “(a) ‘Licensee’ has the meaning given that term in ORS 475B.015.

4 “(b) ‘Registrant’ means a person registered under ORS 475B.400 to
5 475B.525.

6 “(2) The Oregon Liquor Control **and Cannabis** Commission may by rule
7 require a licensee, and the Oregon Health Authority may by rule require a
8 registrant, to submit packaging intended for a marijuana item for preap-
9 proval by the commission before the licensee or registrant may sell or
10 transfer a marijuana item packaged in the packaging. The commission shall
11 determine whether packaging submitted under this section complies with
12 ORS 475B.615 and any rule adopted under ORS 475B.615.

13 “(3) The commission may impose a fee for submitting packaging for pre-
14 approval under this section that is reasonably calculated to not exceed the
15 cost of administering this section.

16 **SECTION 139.** ORS 475B.625, as amended by section 15, chapter 83,
17 Oregon Laws 2016, is amended to read:

18 “475B.625. (1) The Oregon Health Authority shall adopt rules establishing:

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

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

24 “(2)(a) In adopting rules under subsection (1)(a) of this section, the au-
25 thority shall prescribe the different levels of concentration of
26 tetrahydrocannabinol that is permitted in a single serving of a cannabinoid
27 product or cannabinoid concentrate or extract for:

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

30 “(B) Consumers who do not hold a valid registry identification card issued

1 under ORS 475B.415.

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

8 “(3) In adopting rules under ORS 475B.400 to 475B.525, the authority shall
9 require all usable marijuana, cannabinoid products and cannabinoid concen-
10 trates and extracts transferred by a medical marijuana dispensary registered
11 under ORS 475B.450 to meet the concentration standards and packaging
12 standards adopted by rule pursuant to this section.

13 “(4) In adopting rules under ORS 475B.010 to 475B.395, the Oregon Liquor
14 Control **and Cannabis** Commission shall require all usable marijuana,
15 cannabinoid products and cannabinoid concentrates and extracts sold or
16 transferred by a marijuana retailer that holds a license **issued** under ORS
17 475B.110 to meet the concentration standards and packaging standards
18 adopted by rule pursuant to this section.

19 **“SECTION 140.** ORS 475B.635 is amended to read:

20 “475B.635. To ensure compliance with ORS 475B.600 to 475B.655 and any
21 rule adopted under ORS 475B.600 to 475B.655, the Oregon Liquor Control
22 **and Cannabis** Commission may inspect the premises of a person that holds
23 a license **issued** under ORS [475B.070, 475B.090, 475B.100 or 475B.110]
24 **475B.010 to 475B.395.**

25 **“SECTION 141.** ORS 475B.645 is amended to read:

26 “475B.645. Subject to the applicable provisions of ORS chapter 183, if the
27 applicant or licensee violates a provision of ORS 475B.600 to 475B.655 or a
28 rule adopted under a provision of ORS 475B.600 to 475B.655, the Oregon Li-
29 quor Control **and Cannabis** Commission may refuse to issue or renew, or
30 may suspend or revoke, a license issued under ORS [475B.070, 475B.090,

1 475B.100 or 475B.110] 475B.010 to 475B.395.

2 **“SECTION 142.** ORS 475B.705, as amended by section 6, chapter 91,
3 Oregon Laws 2016, is amended to read:

4 “475B.705. (1) A tax is hereby imposed upon the retail sale of marijuana
5 items in this state. The tax imposed by this section is a direct tax on the
6 consumer, for which payment upon retail sale is required. The tax shall be
7 collected at the point of sale of a marijuana item by a marijuana retailer at
8 the time at which the retail sale occurs.

9 “(2) The tax imposed under this section shall be imposed at the rate of:

10 “(a) 17 percent of the retail sales price of marijuana leaves;

11 “(b) 17 percent of the retail sales price of marijuana flowers;

12 “(c) 17 percent of the retail sales price of immature marijuana plants;

13 “(d) 17 percent of the retail sales price of a cannabinoid edible;

14 “(e) 17 percent of the retail sales price of a cannabinoid concentrate;

15 “(f) 17 percent of the retail sales price of a cannabinoid extract;

16 “(g) 17 percent of the retail sales price of a cannabinoid product that is
17 intended to be used by applying the cannabinoid product to the skin or hair;
18 and

19 “(h) 17 percent of the retail sales price of cannabinoid products other than
20 those described in paragraph (g) of this subsection.

21 “(3) If the tax imposed under this section does not equal an amount cal-
22 culable to a whole cent, the tax shall be equal to the next higher whole cent.

23 “(4) Except as otherwise provided by the Department of Revenue by rule,
24 the amount of the tax shall be separately stated on an invoice, receipt or
25 other similar document that the marijuana retailer provides to the consumer
26 at the time at which the retail sale occurs.

27 “(5) A person may not knowingly sell, purchase, install, transfer or pos-
28 sess electronic devices or software programs for the purposes of:

29 “(a) Hiding or removing records of retail sales of marijuana items; or

30 “(b) Falsifying records of retail sales of marijuana items.

1 “(6)(a) A marijuana retailer may not discount a marijuana item or offer
2 a marijuana item for free if the retail sale of the marijuana item is made in
3 conjunction with the retail sale of any other item.

4 “(b) Paragraph (a) of this subsection does not affect any provision of ORS
5 475B.010 to 475B.395 or any rule adopted by the Oregon Liquor Control **and**
6 **Cannabis** Commission pursuant to ORS 475B.010 to 475B.395 that is related
7 to the retail sale of marijuana items.

8 **“SECTION 143.** ORS 475B.730, as amended by section 4, chapter 91,
9 Oregon Laws 2016, is amended to read:

10 “475B.730. (1) Notwithstanding the confidentiality provisions of ORS
11 475B.755, the Department of Revenue may disclose information received un-
12 der ORS 317.363 and 475B.700 to 475B.760 to:

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

15 “(b) The Oregon Health Authority to carry out the provisions of section
16 2, chapter 91, Oregon Laws 2016.

17 “(2) The commission may disclose information obtained pursuant to ORS
18 475B.010 to 475B.395 and 475B.700 to 475B.760 to the department for the
19 purpose of carrying out the provisions of ORS 475B.010 to 475B.395 and
20 475B.700 to 475B.760.

21 “(3) The authority may disclose information obtained pursuant to ORS
22 475B.415 or 475B.418 to the department for the purpose of carrying out the
23 provisions of section 2, chapter 91, Oregon Laws 2016, provided that the au-
24 thority does not disclose personally identifiable information.

25 **“SECTION 144.** ORS 475B.750, as amended by section 5, chapter 91,
26 Oregon Laws 2016, is amended to read:

27 “475B.750. (1) The Department of Revenue shall administer and enforce
28 ORS 475B.700 to 475B.760. The department is authorized to establish rules
29 and procedures for the implementation and enforcement of ORS 475B.700 to
30 475B.760 that are consistent with ORS 475B.700 to 475B.760 and that the de-

1 department considers necessary and appropriate to administer and enforce ORS
2 475B.700 to 475B.760.

3 “(2) The Oregon Liquor Control **and Cannabis** Commission shall enter
4 into an agreement with the department for the purpose of administering and
5 enforcing those provisions of ORS 475B.700 to 475B.760, and rules or proce-
6 dures established for the purpose of implementing and enforcing ORS
7 475B.700 to 475B.760, that the commission and the department determine are
8 necessary for the effective and efficient administration, implementation and
9 enforcement of ORS 475B.700 to 475B.760.

10 “(3) The Oregon Health Authority shall enter into an agreement with the
11 department for the purpose of administering and enforcing the provisions of
12 section 2, chapter 91, Oregon Laws 2016, and rules or procedures established
13 for the purpose of implementing and enforcing section 2, chapter 91, Oregon
14 Laws 2016, that the authority and the department determine are necessary
15 for the effective and efficient administration, implementation and enforce-
16 ment of section 2, chapter 91, Oregon Laws 2016.

17 **“SECTION 145.** ORS 475B.800, as amended by section 31, chapter 24,
18 Oregon Laws 2016, is amended to read:

19 “475B.800. (1) The governing body of a city or county may adopt ordi-
20 nances to be referred to the electors of the city or county as described in
21 subsection (2) of this section that prohibit or allow the establishment of any
22 one or more of the following in the area subject to the jurisdiction of the
23 city or in the unincorporated area subject to the jurisdiction of the county:

24 “(a) Marijuana processing sites registered under ORS 475B.435;

25 “(b) Medical marijuana dispensaries registered under ORS 475B.450;

26 “(c) Marijuana producers [*licensed*] **that hold a license issued** under
27 ORS 475B.070;

28 “(d) Marijuana processors [*licensed*] **that hold a license issued** under
29 ORS 475B.090;

30 “(e) Marijuana wholesalers [*licensed*] **that hold a license issued** under

1 ORS 475B.100;

2 “(f) Marijuana retailers [*licensed*] **that hold a license issued** under ORS
3 475B.110; or

4 “(g) Any combination of the entities described in this subsection.

5 “(2) If the governing body of a city or county adopts an ordinance under
6 this section, the governing body shall submit the measure of the ordinance
7 to the electors of the city or county for approval at the next statewide gen-
8 eral election.

9 “(3) If the governing body of a city or county adopts an ordinance under
10 this section, the governing body must provide the text of the ordinance:

11 “(a) To the Oregon Health Authority, in a form and manner prescribed
12 by the authority, if the ordinance concerns a medical marijuana dispensary
13 registered under ORS 475B.450 or a marijuana processing site registered un-
14 der ORS 475B.435; or

15 “(b) To the Oregon Liquor Control **and Cannabis** Commission, if the or-
16 dinance concerns a premises for which a license has been issued under ORS
17 [*475B.070, 475B.090, 475B.100 or 475B.110*] **475B.010 to 475B.395.**

18 “(4)(a) Upon receiving notice of a prohibition under subsection (3) of this
19 section, the authority shall discontinue registering those entities to which
20 the prohibition applies until the date of the next statewide general election.

21 “(b) Upon receiving notice of a prohibition under subsection (3) of this
22 section, the commission shall discontinue licensing those premises to which
23 the prohibition applies until the date of the next statewide general election.

24 “(5)(a) If an allowance is approved at the next statewide general election
25 under subsection (2) of this section, and the allowance concerns an entity
26 described in subsection (1)(a) or (b) of this section, the authority shall begin
27 registering the entity to which the allowance applies on the first business
28 day of the January immediately following the date of the statewide general
29 election.

30 “(b) If an allowance is approved at the next statewide general election

1 under subsection (2) of this section, and the allowance concerns an entity
2 described in subsection (1)(c) to (f) of this section, the commission shall be-
3 gin licensing the premises to which the allowance applies on the first busi-
4 ness day of the January immediately following the date of the next statewide
5 general election.

6 “(6) Notwithstanding any other provisions of law, a city or county that
7 adopts an ordinance under this section that prohibits the establishment of
8 an entity described in subsection (1) of this section may not impose a tax
9 or fee on the production, processing or sale of marijuana or any product into
10 which marijuana has been incorporated.

11 “(7) Notwithstanding subsection (1) of this section, a medical marijuana
12 dispensary is not subject to an ordinance adopted under this section if the
13 medical marijuana dispensary:

14 “(a) Is registered under ORS 475B.450 on or before the date on which the
15 governing body adopts the ordinance; and

16 “(b) Has successfully completed a city or county land use application
17 process.

18 “(8) Notwithstanding subsection (1) of this section, a marijuana process-
19 ing site is not subject to an ordinance adopted under this section if the
20 marijuana processing site:

21 “(a) Is registered under ORS 475B.435 on or before the date on which the
22 governing body adopts the ordinance; and

23 “(b) Has successfully completed a city or county land use application
24 process.

25 **SECTION 146.** Section 11, chapter 23, Oregon Laws 2016, is amended to
26 read:

27 **“Sec. 11.** For the purpose of requesting a state or nationwide criminal
28 records check under ORS 181A.195, the Oregon Liquor Control **and**
29 **Cannabis** Commission may require the fingerprints of any individual listed
30 on an application submitted under ORS 475B.560. The powers conferred on

1 the commission under this section include the power to require the finger-
2 prints of:

3 “(1) If the applicant is a limited partnership, each partner of the limited
4 partnership;

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

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

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

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

13 **“SECTION 147.** Section 30, chapter 24, Oregon Laws 2016, is amended to
14 read:

15 **“Sec. 30.** (1) The governing body of a city or county may repeal an ordi-
16 nance that prohibits the establishment of any one or more of the following
17 in the area subject to the jurisdiction of the city or in the unincorporated
18 area subject to the jurisdiction of the county:

19 “(a) Marijuana processing sites registered under ORS 475B.435;

20 “(b) Medical marijuana dispensaries registered under ORS 475B.450;

21 “(c) Marijuana producers [*licensed*] **that hold a license issued** under
22 ORS 475B.070;

23 “(d) Marijuana processors [*licensed*] **that hold a license issued** under
24 ORS 475B.090;

25 “(e) Marijuana wholesalers [*licensed*] **that hold a license issued** under
26 ORS 475B.100;

27 “(f) Marijuana retailers [*licensed*] **that hold a license issued** under ORS
28 475B.110; or

29 “(g) Any combination of the entities described in this subsection.

30 “(2) If the governing body of a city or county repeals an ordinance under

1 this section, the governing body must provide the text of the ordinance:

2 “(a) To the Oregon Health Authority, in a form and manner prescribed
3 by the authority, if the ordinance concerns a medical marijuana dispensary
4 registered under ORS 475B.450 or a marijuana processing site registered un-
5 der ORS 475B.435; or

6 “(b) To the Oregon Liquor Control **and Cannabis** Commission, in a form
7 and manner prescribed by the commission, if the ordinance concerns a
8 premises for which a license has been issued under ORS [475B.070, 475B.090,
9 475B.100 or 475B.110] **475B.010 to 475B.395.**

10 **“SECTION 148.** Section 47, chapter 24, Oregon Laws 2016, is amended to
11 read:

12 **“Sec. 47.** (1) Except for licensees and licensee representatives acting in
13 accordance with ORS 475B.010 to 475B.395, and any rule adopted under ORS
14 475B.010 to 475B.395, it is unlawful for any person under 21 years of age to
15 knowingly or intentionally possess:

16 “(a) An amount of marijuana plants in excess of the amount of marijuana
17 plants allowed under ORS 475B.245 (1).

18 “(b) More than one ounce of usable marijuana in a public place.

19 “(c) More than eight ounces of usable marijuana.

20 “(d) More than 16 ounces of cannabinoid products in solid form or
21 cannabinoid concentrates.

22 “(e) More than 72 ounces of cannabinoid products in liquid form.

23 “(f) More than one ounce of cannabinoid extracts.

24 “(g) A cannabinoid extract that was not purchased from a marijuana
25 retailer that holds a license **issued** under ORS 475B.110.

26 “(2) A violation of this section is a Class A misdemeanor.

27 **“SECTION 149.** Section 9, chapter 71, Oregon Laws 2016, is amended to
28 read:

29 **“Sec. 9.** (1) For purposes of this section, ‘consumption’ means to ingest,
30 inhale or topically apply to the skin or hair.

1 “(2) A laboratory licensed by the Oregon Liquor Control **and Cannabis**
2 Commission under ORS 475B.560 and accredited by the Oregon Health Au-
3 thority pursuant to ORS 475B.565 may test industrial hemp and industrial
4 hemp commodities and products produced or processed by a grower, handler
5 or agricultural hemp seed producer registered under ORS 571.305.

6 “(3) A handler registered under ORS 571.305 may not sell an industrial
7 hemp commodity or product that is intended for human consumption unless
8 the commodity or product is tested by a laboratory described in subsection
9 (2) of this section to ensure that the commodity or product meets the re-
10 quirements adopted by the Oregon Health Authority under ORS 475B.555
11 (1)(a) and (b) [*and* (2)] for testing marijuana items.

12 “(4) For purposes of this section, the State Department of Agriculture
13 shall adopt rules:

14 “(a) Establishing protocols for the testing of industrial hemp commodities
15 and products; and

16 “(b) Establishing procedures for determining batch sizes and for sampling
17 industrial hemp commodities and products.

18 **“SECTION 150.** Section 9a, chapter 71, Oregon Laws 2016, is amended to
19 read:

20 **“Sec. 9a.** (1) The State Department of Agriculture may enter into an
21 agreement with the Oregon Health Authority for the purpose of developing
22 standards for investigating and testing an industrial hemp crop to ensure
23 that the crop contains an average tetrahydrocannabinol concentration that
24 does not exceed 0.3 percent on a dry weight basis.

25 “(2) In accordance with standards developed under subsection (1) of this
26 section, a laboratory licensed by the Oregon Liquor Control **and Cannabis**
27 Commission under ORS 475B.560 and accredited by the authority pursuant
28 to ORS 475B.565 may test an industrial hemp crop for the purpose of deter-
29 mining the average tetrahydrocannabinol concentration of the crop.

30 “(3) A laboratory described in subsection (2) of this section must provide

1 the test results to the department in a form and manner prescribed by the
2 department.

3 **“SECTION 151.** Section 2, chapter 97, Oregon Laws 2016, is amended to
4 read:

5 **“Sec. 2.** A financial institution that provides financial services custom-
6 arily provided by financial institutions pursuant to powers granted by ORS
7 717.200 to 717.320, 717.900 and 717.905, the Bank Act or by ORS chapter 723
8 to a marijuana processing site registered under ORS 475B.435, a medical
9 marijuana dispensary registered under ORS 475B.450, a marijuana producer
10 that holds a license **issued** under ORS 475B.070, a marijuana processor that
11 holds a license **issued** under ORS 475B.090, a marijuana wholesaler that
12 holds a license **issued** under ORS 475B.100, a marijuana retailer that holds
13 a license **issued** under ORS 475B.110, a laboratory that holds a license **is-**
14 **sued** under ORS 475B.560 or a person to whom a permit has been issued
15 under ORS 475B.218 is exempt from any criminal law of this state an element
16 of which may be proven by substantiating that a person provides financial
17 services customarily provided by financial institutions pursuant to powers
18 granted by ORS 717.200 to 717.320, 717.900 and 717.905, the Bank Act or ORS
19 chapter 723 to a person [*who*] **that** possesses, delivers or manufactures
20 marijuana or marijuana-derived products.

21 **“SECTION 152.** Section 3, chapter 97, Oregon Laws 2016, is amended to
22 read:

23 **“Sec. 3.** (1) Notwithstanding any law relating to the exemption of infor-
24 mation from public disclosure under ORS 475B.010 to 475B.395 or 475B.550
25 to 475B.590, upon the request of a financial institution, the Oregon Liquor
26 Control **and Cannabis** Commission shall provide to the financial institution
27 the following information:

28 “(a) Whether a person with whom the financial institution is doing busi-
29 ness holds a license **issued** under ORS [*475B.070, 475B.090, 475B.100,*
30 *475B.110*] **475B.010 to 475B.395** or 475B.560 or a permit **issued** under ORS

1 475B.218;

2 “(b) The name of any other business or individual affiliated with the
3 person;

4 “(c) A copy of the application, and any supporting documentation sub-
5 mitted with the application, for a license or a permit submitted by the per-
6 son;

7 “(d) If applicable, data relating to sales and the volume of product sold
8 by the person;

9 “(e) Whether the person is currently compliant with the provisions of
10 ORS 475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to 475B.655 and
11 rules adopted under ORS 475B.010 to 475B.395, 475B.550 to 475B.590 and
12 475B.600 to 475B.655;

13 “(f) Any past or pending violation by the person of a provision of ORS
14 475B.010 to 475B.395, 475B.550 to 475B.590 or 475B.600 to 475B.655 or a rule
15 adopted under ORS 475B.010 to 475B.395, 475B.550 to 475B.590 or 475B.600 to
16 475B.655; and

17 “(g) Any penalty imposed upon the person for violating a provision of
18 ORS 475B.010 to 475B.395, 475B.550 to 475B.590 or 475B.600 to 475B.655 or a
19 rule adopted under ORS 475B.010 to 475B.395, 475B.550 to 475B.590 or
20 475B.600 to 475B.655.

21 “(2) Upon receiving a request under subsection (1) of this section, the
22 commission shall provide the requesting financial institution with the re-
23 quested information.

24 “(3) The commission may charge a financial institution a reasonable fee
25 to cover the administrative costs of providing information under this section.

26

27 **(Rulemaking With Respect to Labeling and Dosage)**

28 **(Operative January 1, 2018)**

29

30 **SECTION 153. (1) On the operative date specified in section 356 of**

1 this 2017 Act, the duty of the Oregon Health Authority to adopt rules
2 under ORS 475B.605 (1) and 475B.625 (1), and the power of the authority
3 to impose civil penalties under ORS 475B.655, are imposed upon,
4 transferred to and vested in the Oregon Liquor Control Commission.

5 “(2) Notwithstanding the transfer of the duty to adopt rules under
6 subsection (1) of this section, the rules of the authority that are in
7 effect on the operative date specified in section 356 of this 2017 Act
8 continue in effect until superseded or repealed by rules of the com-
9 mission. References in the rules of the authority to the authority or
10 an officer or employee of the authority are considered to be references
11 to the commission or an officer or employee of the commission.

12 “(3) Notwithstanding the transfer of the power to impose civil pen-
13 alties under subsection (1) of this section, the proceedings of the au-
14 thority that are pending on the operative date specified in section 356
15 of this 2017 Act are not affected by the transfer, except that the com-
16 mission is substituted for the authority in the proceedings and moneys
17 collected by the commission under the proceedings must be deposited
18 in the Marijuana Control and Regulation Fund established under ORS
19 475B.240.

20 “SECTION 154. ORS 475B.605, as amended by section 135 of this 2017
21 Act, is amended to read:

22 “475B.605. (1) As is necessary to protect the public health and safety, and
23 in consultation with the [*Oregon Liquor Control and Cannabis Commission*]
24 **Oregon Health Authority** and the State Department of Agriculture, the
25 [*Oregon Health Authority*] **Oregon Liquor Control and Cannabis Com-**
26 **mission** shall adopt rules establishing standards for the labeling of
27 marijuana items, including but not limited to:

28 “(a) Ensuring that usable marijuana, cannabinoid concentrates and ex-
29 tracts, cannabinoid edibles and other cannabinoid products have labeling
30 that communicates:

1 “(A) Health and safety warnings;

2 “(B) Activation time;

3 “(C) Results of tests conducted pursuant to ORS 475B.550 to 475B.590;

4 “(D) Potency;

5 “(E) For cannabinoid products and cannabinoid concentrates and extracts,

6 serving size and the number of servings included in a cannabinoid product

7 or cannabinoid concentrate or extract package; and

8 “(F) Content of the marijuana item; and

9 “(b) Labeling that is in accordance with applicable state food labeling

10 requirements for the same type of food product or potable liquid when the

11 food product or potable liquid does not contain marijuana or cannabinoids.

12 “(2) In adopting rules under ORS 475B.400 to 475B.525, the authority shall

13 require all usable marijuana, cannabinoid products and cannabinoid concen-

14 trates and extracts transferred by a medical marijuana dispensary registered

15 under ORS 475B.450 to be labeled in accordance with subsection (1) of this

16 section and rules adopted under subsection (1) of this section.

17 “(3) In adopting rules under ORS 475B.010 to 475B.395, the commission

18 shall require all usable marijuana, cannabinoid products and cannabinoid

19 concentrates and extracts sold or transferred by a marijuana retailer that

20 holds a license issued under ORS 475B.110 to be labeled in accordance with

21 subsection (1) of this section and rules adopted under subsection (1) of this

22 section.

23 “(4) In adopting rules under subsection (1) of this section, the

24 [*authority:*] **commission:**

25 “(a) May establish different labeling standards for different varieties of

26 usable marijuana and for different types of cannabinoid products and

27 cannabinoid concentrates and extracts;

28 “(b) May establish different minimum labeling standards for persons reg-

29 istered under ORS 475B.400 to 475B.525 and persons licensed under ORS

30 475B.010 to 475B.395;

1 “(c) Shall consider the cost of a potential requirement and how that cost
2 will affect the cost to the ultimate consumer of the marijuana item; and

3 “(d) May not adopt rules that are more restrictive than is reasonably
4 necessary to protect the public health and safety.

5 **“SECTION 155.** ORS 475B.625, as amended by section 15, chapter 83,
6 Oregon Laws 2016, and section 139 of this 2017 Act, is amended to read:

7 “475B.625. (1) The [*Oregon Health Authority*] **Oregon Liquor Control**
8 **and Cannabis Commission** shall adopt rules establishing:

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

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

14 “(2)(a) In adopting rules under subsection (1)(a) of this section, the [*au-*
15 *thority*] **commission** shall prescribe the different levels of concentration of
16 tetrahydrocannabinol that is permitted in a single serving of a cannabinoid
17 product or cannabinoid concentrate or extract for:

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

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

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

28 “(3) In adopting rules under ORS 475B.400 to 475B.525, the **Oregon**
29 **Health Authority** shall require all usable marijuana, cannabinoid products
30 and cannabinoid concentrates and extracts transferred by a medical

1 marijuana dispensary registered under ORS 475B.450 to meet the concen-
2 tration standards and packaging standards adopted by rule pursuant to this
3 section.

4 “(4) In adopting rules under ORS 475B.010 to 475B.395, the [*Oregon Liquor*
5 *Control and Cannabis*] commission shall require all usable marijuana,
6 cannabinoid products and cannabinoid concentrates and extracts sold or
7 transferred by a marijuana retailer that holds a license issued under ORS
8 475B.110 to meet the concentration standards and packaging standards
9 adopted by rule pursuant to this section.

10 **“SECTION 156.** ORS 475B.655 is amended to read:

11 “475B.655. (1) In addition to any other liability or penalty provided by
12 law, the [*Oregon Health Authority*] **Oregon Liquor Control Commission**
13 may impose for each violation of a provision of ORS 475B.600 to 475B.655,
14 or a rule adopted under a provision of ORS 475B.600 to 475B.655, a civil
15 penalty that does not exceed \$500 for each day that the violation occurs.

16 “(2) The [*authority*] **commission** shall impose civil penalties under this
17 section in the manner provided by ORS 183.745.

18 “(3) Moneys collected under this section shall be deposited in the [*Oregon*
19 *Health Authority Fund established under ORS 413.101*] **Marijuana Control**
20 **and Regulation Fund established under ORS 475B.240** and are contin-
21 uously appropriated to the [*authority*] **commission** for the purpose of car-
22 rying out the duties, functions and powers of the authority under ORS
23 475B.600 to 475B.655.

24

25 **(Exclusively Medical Licensees)**

26 **(Operative January 1, 2018)**

27

28 **“SECTION 157.** Sections 158, 159, 160 and 161 of this 2017 Act are
29 added to and made a part of ORS 475B.010 to 475B.395.

30 **“SECTION 158.** (1) The Oregon Liquor Control and Cannabis Com-

1 mission shall designate any marijuana producer that holds a license
2 issued under ORS 475B.070 and that is registered under section 2,
3 chapter 83, Oregon Laws 2016, as an exclusively medical licensee if the
4 marijuana producer attests, in a form and manner prescribed by the
5 commission, to:

6 “(a) Producing marijuana only for a medical purpose; and

7 “(b) Only transferring usable marijuana to marijuana processors
8 registered under section 3, chapter 83, Oregon Laws 2016, marijuana
9 wholesalers registered under section 4, chapter 83, Oregon Laws 2016,
10 marijuana retailers registered under section 5, chapter 83, Oregon
11 Laws 2016, registry identification cardholders and designated primary
12 caregivers.

13 “(2) If the commission makes a designation under this section, the
14 commission shall keep a record of the designation.

15 **SECTION 159.** (1) The Oregon Liquor Control and Cannabis Com-
16 mission shall designate any marijuana processor that holds a license
17 issued under ORS 475B.090 and that is registered under section 3,
18 chapter 83, Oregon Laws 2016, as an exclusively medical licensee if the
19 marijuana processor attests, in a form and manner prescribed by the
20 commission, to:

21 “(a) Processing marijuana only for a medical purpose;

22 “(b) Only receiving usable marijuana from a marijuana producer
23 registered under section 2, chapter 83, Oregon Laws 2016; and

24 “(c) Only transferring cannabinoid products, cannabinoid concen-
25 trates and cannabinoid extracts to marijuana wholesalers registered
26 under section 4, chapter 83, Oregon Laws 2016, marijuana retailers
27 registered under section 5, chapter 83, Oregon Laws 2016, registry
28 identification cardholders and designated primary caregivers.

29 “(2) If the commission makes a designation under this section, the
30 commission shall keep a record of the designation.

1 **SECTION 160.** (1) The Oregon Liquor Control and Cannabis Com-
2 mission shall designate any marijuana wholesaler that holds a license
3 issued under ORS 475B.100 and that is registered under section 4,
4 chapter 83, Oregon Laws 2016, as an exclusively medical licensee if the
5 marijuana wholesaler attests, in a form and manner prescribed by the
6 commission, to:

7 “(a) Selling marijuana only for a medical purpose;

8 “(b) Only receiving usable marijuana from marijuana producers
9 registered under section 2, chapter 83, Oregon Laws 2016, and
10 marijuana processors registered under section 3, chapter 83, Oregon
11 Laws 2016;

12 “(c) Only receiving cannabinoid products, cannabinoid concentrates
13 and cannabinoid extracts from a marijuana processor registered under
14 section 3, chapter 83, Oregon Laws 2016; and

15 “(d) Only transferring usable marijuana, cannabinoid products,
16 cannabinoid concentrates and cannabinoid extracts to marijuana
17 retailers registered under section 5, chapter 83, Oregon Laws 2016,
18 registry identification cardholders and designated primary caregivers.
19 If the commission makes a designation under this section, the com-
20 mission shall keep a record of the designation.

21 **SECTION 161.** (1) The Oregon Liquor Control and Cannabis Com-
22 mission shall designate any marijuana retailer that holds a license is-
23 sued under ORS 475B.110 and that is registered under section 5,
24 chapter 83, Oregon Laws 2016, as an exclusively medical licensee if the
25 marijuana retailer attests, in a form and manner prescribed by the
26 commission, to:

27 “(a) Selling marijuana only for a medical purpose;

28 “(b) Only receiving usable marijuana from marijuana producers
29 registered under section 2, chapter 83, Oregon Laws 2016, marijuana
30 processors registered under section 3, chapter 83, Oregon Laws 2016,

1 and marijuana wholesalers registered under section 4, chapter 83,
2 Oregon Laws 2016;

3 “(c) Only receiving cannabinoid products, cannabinoid concentrates
4 and cannabinoid extracts from a marijuana processor registered under
5 section 3, chapter 83, Oregon Laws 2016; and

6 “(d) Only transferring usable marijuana, cannabinoid products,
7 cannabinoid concentrates and cannabinoid extracts to registry iden-
8 tification cardholders and designated primary caregivers.

9 “(2) If the commission makes a designation under this section, the
10 commission shall keep a record of the designation.

11 **“SECTION 162.** ORS 475B.800, as amended by section 31, chapter 24,
12 Oregon Laws 2016, and section 145 of this 2017 Act, is amended to read:

13 “475B.800. (1) The governing body of a city or county may adopt ordi-
14 nances to be referred to the electors of the city or county as described in
15 subsection (2) of this section that prohibit or allow the establishment of any
16 one or more of the following in the area subject to the jurisdiction of the
17 city or in the unincorporated area subject to the jurisdiction of the county:

18 “(a) Marijuana processing sites registered under ORS 475B.435;

19 “(b) Medical marijuana dispensaries registered under ORS 475B.450;

20 “(c) Marijuana producers that hold a license issued under ORS 475B.070;

21 “(d) Marijuana processors that hold a license issued under ORS 475B.090;

22 “(e) Marijuana wholesalers that hold a license issued under ORS 475B.100;

23 “(f) Marijuana retailers that hold a license issued under ORS 475B.110;

24 [or]

25 “(g) Marijuana producers that hold a license issued under ORS
26 475B.070 and that the Oregon Liquor Control and Cannabis Commission
27 has designated an exclusively medical licensee under section 158 of this
28 2017 Act;

29 “(h) Marijuana processors that hold a license issued under ORS
30 475B.090 and that the commission has designated an exclusively med-

1 ical licensee under section 159 of this 2017 Act;

2 “(i) Marijuana wholesalers that hold a license issued under ORS
3 475B.100 and that the commission has designated an exclusively med-
4 ical licensee under section 160 of this 2017 Act;

5 “(j) Marijuana retailers that hold a license issued under ORS
6 475B.110 and that the commission has designated an exclusively med-
7 ical licensee under section 161 of this 2017 Act; or

8 “[~~(g)~~] (k) Any combination of the entities described in this subsection.

9 “(2) If the governing body of a city or county adopts an ordinance under
10 this section, the governing body shall submit the measure of the ordinance
11 to the electors of the city or county for approval at the next statewide gen-
12 eral election.

13 “(3) If the governing body of a city or county adopts an ordinance under
14 this section, the governing body must provide the text of the ordinance:

15 “(a) To the Oregon Health Authority, in a form and manner prescribed
16 by the authority, if the ordinance concerns a medical marijuana dispensary
17 registered under ORS 475B.450 or a marijuana processing site registered un-
18 der ORS 475B.435; or

19 “(b) To the [*Oregon Liquor Control and Cannabis*] commission, if the or-
20 dinance concerns a premises for which a license has been issued under ORS
21 475B.010 to 475B.395.

22 “(4)(a) Upon receiving notice of a prohibition under subsection (3) of this
23 section, the authority shall discontinue registering those entities to which
24 the prohibition applies until the date of the next statewide general election.

25 “(b) Upon receiving notice of a prohibition under subsection (3) of this
26 section, the commission shall discontinue licensing those premises to which
27 the prohibition applies until the date of the next statewide general election.

28 “(5)(a) If an allowance is approved at the next statewide general election
29 under subsection (2) of this section, and the allowance concerns an entity
30 described in subsection (1)(a) or (b) of this section, the authority shall begin

1 registering the entity to which the allowance applies on the first business
2 day of the January immediately following the date of the statewide general
3 election.

4 “(b) If an allowance is approved at the next statewide general election
5 under subsection (2) of this section, and the allowance concerns an entity
6 described in subsection (1)(c) to (f) of this section, the commission shall be-
7 gin licensing the premises to which the allowance applies on the first busi-
8 ness day of the January immediately following the date of the next statewide
9 general election.

10 “(6) Notwithstanding any other provisions of law, a city or county that
11 adopts an ordinance under this section that prohibits the establishment of
12 an entity described in subsection (1) of this section may not impose a tax
13 or fee on the production, processing or sale of marijuana or any product into
14 which marijuana has been incorporated.

15 “(7) Notwithstanding subsection (1) of this section, a medical marijuana
16 dispensary is not subject to an ordinance adopted under this section if the
17 medical marijuana dispensary:

18 “(a) Is registered under ORS 475B.450 on or before the date on which the
19 governing body adopts the ordinance; and

20 “(b) Has successfully completed a city or county land use application
21 process.

22 “(8) Notwithstanding subsection (1) of this section, a marijuana process-
23 ing site is not subject to an ordinance adopted under this section if the
24 marijuana processing site:

25 “(a) Is registered under ORS 475B.435 on or before the date on which the
26 governing body adopts the ordinance; and

27 “(b) Has successfully completed a city or county land use application
28 process.

29 **“SECTION 163.** Section 30, chapter 24, Oregon Laws 2016, as amended
30 by section 147 of this 2017 Act, is amended to read:

1 **“Sec. 30.** (1) The governing body of a city or county may repeal an ordi-
2 nance that prohibits the establishment of any one or more of the following
3 in the area subject to the jurisdiction of the city or in the unincorporated
4 area subject to the jurisdiction of the county:

5 “(a) Marijuana processing sites registered under ORS 475B.435;

6 “(b) Medical marijuana dispensaries registered under ORS 475B.450;

7 “(c) Marijuana producers that hold a license issued under ORS 475B.070;

8 “(d) Marijuana processors that hold a license issued under ORS 475B.090;

9 “(e) Marijuana wholesalers that hold a license issued under ORS 475B.100;

10 “(f) Marijuana retailers that hold a license issued under ORS 475B.110;

11 [or]

12 **“(g) Marijuana producers that hold a license issued under ORS**
13 **475B.070 and that the Oregon Liquor Control and Cannabis Commission**
14 **has designated an exclusively medical licensee under section 158 of this**
15 **2017 Act;**

16 **“(h) Marijuana processors that hold a license issued under ORS**
17 **475B.090 and that the commission has designated an exclusively med-**
18 **ical licensee under section 159 of this 2017 Act;**

19 **“(i) Marijuana wholesalers that hold a license issued under ORS**
20 **475B.100 and that the commission has designated an exclusively med-**
21 **ical licensee under section 160 of this 2017 Act;**

22 **“(j) Marijuana retailers that hold a license issued under ORS**
23 **475B.110 and that the commission has designated an exclusively med-**
24 **ical licensee under section 161 of this 2017 Act; or**

25 “(k) Any combination of the entities described in this subsection.

26 “(2) If the governing body of a city or county repeals an ordinance under
27 this section, the governing body must provide the text of the ordinance:

28 “(a) To the Oregon Health Authority, in a form and manner prescribed
29 by the authority, if the ordinance concerns a medical marijuana dispensary
30 registered under ORS 475B.450 or a marijuana processing site registered un-

1 der ORS 475B.435; or

2 “(b) To the [*Oregon Liquor Control and Cannabis*] commission, in a form
3 and manner prescribed by the commission, if the ordinance concerns a
4 premises for which a license has been issued under ORS 475B.010 to 475B.395.

5
6 (Amendments)

7 (Operative March 30, 2019)

8
9 **“SECTION 164.** ORS 475B.063, as amended by section 11, chapter 24,
10 Oregon Laws 2016, and section 72 of this 2017 Act, is amended to read:

11 “475B.063. (1) Prior to receiving a license under ORS 475B.070, 475B.090,
12 475B.100 or 475B.110, an applicant shall request a land use compatibility
13 statement from the city or county that authorizes the land use. The land use
14 compatibility statement must demonstrate that the requested license is for
15 a land use that is allowable as a permitted or conditional use within the
16 given zoning designation where the land is located. The Oregon Liquor
17 Control and Cannabis Commission may not issue a license if the land use
18 compatibility statement shows that the proposed land use is prohibited in the
19 applicable zone.

20 “(2) Except as provided in subsection (3) of this section, a city or county
21 that receives a request for a land use compatibility statement under this
22 section must act on that request within 21 days of:

23 “(a) Receipt of the request, if the land use is allowable as an outright
24 permitted use; or

25 “(b) Final local permit approval, if the land use is allowable as a condi-
26 tional use.

27 “(3) A city or county that receives a request for a land use compatibility
28 statement under this section is not required to act on that request during
29 the period that the commission discontinues licensing those premises pursu-
30 ant to ORS 475B.800 [(4)(b)] (4).

1 “(4) A city or county action concerning a land use compatibility state-
2 ment under this section is not a land use decision for purposes of ORS
3 chapter 195, 196, 197, 215 or 227.

4 “**SECTION 165.** ORS 475B.555, as amended by section 132 of this 2017
5 Act, is amended to read:

6 “475B.555. (1) As is necessary to protect the public health and safety, and
7 in consultation with the Oregon Liquor Control and Cannabis Commission
8 and the State Department of Agriculture, the Oregon Health Authority shall
9 adopt rules:

10 “(a) Establishing standards for testing marijuana items.

11 “(b) Identifying appropriate tests for marijuana items, depending on the
12 type of marijuana item and the manner in which the marijuana item was
13 produced or processed, that are necessary to protect the public health and
14 safety, including, but not limited to, tests for:

15 “(A) Microbiological contaminants;

16 “(B) Pesticides;

17 “(C) Other contaminants;

18 “(D) Solvents or residual solvents; and

19 “(E) Tetrahydrocannabinol and cannabidiol concentration.

20 “(c) Establishing procedures for determining batch sizes and for sampling
21 usable marijuana, cannabinoid products and cannabinoid concentrates or
22 extracts.

23 “(d) Establishing different minimum standards for different varieties of
24 usable marijuana and different types of cannabinoid products and
25 cannabinoid concentrates and extracts.

26 “(2) In addition to the testing requirements established under subsection
27 (1) of this section, [*the authority or*] the commission may require cannabinoid
28 edibles to be tested in accordance with any applicable law of this state, or
29 any applicable rule adopted under a law of this state, related to the pro-
30 duction and processing of food products or commodities.

1 “[(3) In adopting rules under ORS 475B.400 to 475B.525, the authority may
2 require:]

3 “[(a) A person responsible for a marijuana grow site under ORS 475B.420
4 to test usable marijuana before transferring the usable marijuana to a regis-
5 trant other than an individual who holds a registry identification card under
6 ORS 475B.415; and]

7 “[(b) A person processing marijuana to test cannabinoid products or
8 cannabinoid concentrates or extracts before transferring the cannabinoid pro-
9 ducts or cannabinoid concentrates or extracts to a registrant other than an
10 individual who holds a registry identification card under ORS 475B.415.]

11 “[4] (3) In adopting rules under ORS 475B.010 to 475B.395, the commis-
12 sion may require:

13 “(a) A marijuana producer that holds a license under ORS 475B.070 or a
14 marijuana wholesaler that holds a license under ORS 475B.100 to test usable
15 marijuana before selling or transferring the usable marijuana; and

16 “(b) A marijuana processor that holds a license under ORS 475B.090 or a
17 marijuana wholesaler that holds a license under ORS 475B.100 to test
18 cannabinoid products or cannabinoid concentrates or extracts before selling
19 or transferring the cannabinoid products or cannabinoid concentrates or ex-
20 tracts.

21 “[5] (4) [The authority and] The commission may conduct random testing
22 of marijuana items for the purpose of determining whether [a person subject
23 to testing under subsection (3) of this section or] a licensee subject to testing
24 under subsection [(4) (3) of this section is in compliance with this section.

25 “[6] (5) In adopting rules to implement **subsection (3) of this section,**
26 the [authority and] commission may not require a marijuana item to undergo
27 the same test more than once unless the marijuana item is processed into a
28 different type of marijuana item or the condition of the marijuana item has
29 fundamentally changed.

30 “[7] (6) The testing of marijuana items as required by this section must

1 be conducted by a laboratory licensed by the commission under ORS 475B.560
2 and accredited by the authority under ORS 475B.565.

3 “[8] (7) In adopting rules under subsection (1) of this section, the au-
4 thority:

5 “(a) Shall consider the cost of a potential testing procedure and how that
6 cost will affect the cost to the ultimate consumer of the marijuana item; and

7 “(b) May not adopt rules that are more restrictive than is reasonably
8 necessary to protect the public health and safety.

9 **“SECTION 166.** ORS 475B.570 is amended to read:

10 “475B.570. [*ORS 475B.550 to 475B.590 do not apply to:*]

11 “[*(1) A person responsible for a marijuana grow site under ORS 475B.420*
12 *if the person is transferring usable marijuana or an immature marijuana*
13 *plant, as defined in ORS 475B.015, to:*]

14 “[*(a) A person who holds a registry identification card under ORS 475B.415*
15 *and who designated the person responsible for the marijuana grow site to grow*
16 *marijuana for the person who holds a registry identification card; or*]

17 “[*(b) A person who has been designated as the primary caregiver under*
18 *ORS 475B.418 of a person who holds a registry identification card under ORS*
19 *475B.415 and who designated the person responsible for the marijuana grow*
20 *site to grow marijuana for the person who holds a registry identification card;*
21 *or*]

22 “[**(2)** **ORS 475B.550 to 475B.590 do not apply to** a person who [*has*
23 *been*] **is the** designated [*as the*] primary caregiver under ORS 475B.418 of a
24 person who holds a registry identification card under ORS 475B.415 if the
25 person is transferring a marijuana item to the person who holds a registry
26 identification card.

27 **“SECTION 167.** ORS 475B.605, as amended by sections 135 and 154 of this
28 2017 Act, is amended to read:

29 “475B.605. (1) As is necessary to protect the public health and safety, and
30 in consultation with the Oregon Health Authority and the State Department

1 of Agriculture, the Oregon Liquor Control and Cannabis Commission shall
2 adopt rules establishing standards for the labeling of marijuana items, in-
3 cluding but not limited to:

4 “(a) Ensuring that usable marijuana, cannabinoid concentrates and ex-
5 tracts, cannabinoid edibles and other cannabinoid products have labeling
6 that communicates:

7 “(A) Health and safety warnings;

8 “(B) Activation time;

9 “(C) Results of tests conducted pursuant to ORS 475B.550 to 475B.590;

10 “(D) Potency;

11 “(E) For cannabinoid products and cannabinoid concentrates and extracts,
12 serving size and the number of servings included in a cannabinoid product
13 or cannabinoid concentrate or extract package; and

14 “(F) Content of the marijuana item; and

15 “(b) Labeling that is in accordance with applicable state food labeling
16 requirements for the same type of food product or potable liquid when the
17 food product or potable liquid does not contain marijuana or cannabinoids.

18 “[~~(2)~~ *In adopting rules under ORS 475B.400 to 475B.525, the authority shall*
19 *require all usable marijuana, cannabinoid products and cannabinoid concen-*
20 *trates and extracts transferred by a medical marijuana dispensary registered*
21 *under ORS 475B.450 to be labeled in accordance with subsection (1) of this*
22 *section and rules adopted under subsection (1) of this section.*]

23 “[~~(3)~~ **(2)** In adopting rules under ORS 475B.010 to 475B.395, the commis-
24 sion shall require all usable marijuana, cannabinoid products and
25 cannabinoid concentrates and extracts sold or transferred by a marijuana
26 retailer that holds a license **issued** under ORS 475B.110 to be labeled in ac-
27 cordance with subsection (1) of this section and rules adopted under sub-
28 section (1) of this section.

29 “[~~(4)~~ **(3)** In adopting rules under subsection (1) of this section, the com-
30 mission:

1 “(a) May establish different labeling standards for different varieties of
2 usable marijuana and for different types of cannabinoid products and
3 cannabinoid concentrates and extracts;

4 “[*(b) May establish different minimum labeling standards for persons reg-*
5 *istered under ORS 475B.400 to 475B.525 and persons licensed under ORS*
6 *475B.010 to 475B.395;*]

7 “[*(c)*] **(b)** Shall consider the cost of a potential requirement and how that
8 cost will affect the cost to the ultimate consumer of the marijuana item; and

9 “[*(d)*] **(c)** May not adopt rules that are more restrictive than is reasonably
10 necessary to protect the public health and safety.

11 **“SECTION 168.** ORS 475B.610, as amended by section 136 of this 2017
12 Act, is amended to read:

13 “475B.610. (1) As used in this section[:],

14 “[*(a)*] ‘licensee’ has the meaning given that term in ORS 475B.015.

15 “[*(b)*] ‘*Registrant*’ means a person registered under ORS 475B.400 to
16 475B.525.]

17 “(2) The Oregon Liquor Control and Cannabis Commission may by rule
18 require a licensee[, *and the Oregon Health Authority may by rule require a*
19 *registrant,*] to submit a label intended for use on a marijuana item for pre-
20 approval by the commission before the licensee [*or registrant*] may sell or
21 transfer a marijuana item bearing the label. The commission shall determine
22 whether a label submitted under this section complies with ORS 475B.605 and
23 any rule adopted under ORS 475B.605.

24 “(3) The commission may impose a fee for submitting a label for preap-
25 proval under this section that is reasonably calculated to not exceed the cost
26 of administering this section.

27 **“SECTION 169.** ORS 475B.615, as amended by section 137 of this 2017
28 Act, is amended to read:

29 “475B.615. (1) As is necessary to protect the public health and safety, and
30 in consultation with the Oregon Health Authority and the State Department

1 of Agriculture, the Oregon Liquor Control and Cannabis Commission shall
2 adopt rules establishing standards for the packaging of marijuana items, in-
3 cluding but not limited to:

4 “(a) Ensuring that usable marijuana, cannabinoid concentrates and ex-
5 tracts, cannabinoid edibles and other cannabinoid products are:

6 “(A) Packaged in child-resistant safety packaging; and

7 “(B) Not marketed in a manner that:

8 “(i) Is untruthful or misleading;

9 “(ii) Is attractive to minors; or

10 “(iii) Otherwise creates a significant risk of harm to public health and
11 safety; and

12 “(b) Ensuring that cannabinoid edibles and other cannabinoid products
13 are not packaged in a manner that is attractive to minors.

14 “[~~(2)~~ **(2)** *In adopting rules under ORS 475B.400 to 475B.525, the authority shall*
15 *require all usable marijuana, cannabinoid products and cannabinoid concen-*
16 *trates and extracts transferred by a medical marijuana dispensary registered*
17 *under ORS 475B.450 to be packaged in accordance with subsection (1) of this*
18 *section and rules adopted under subsection (1) of this section.]*

19 “[~~(3)~~ **(2)** In adopting rules under ORS 475B.010 to 475B.395, the commis-
20 sion shall require all usable marijuana, cannabinoid products and
21 cannabinoid concentrates and extracts sold or transferred by a marijuana
22 retailer that holds a license **issued** under ORS 475B.110 to be packaged in
23 accordance with subsection (1) of this section and rules adopted under sub-
24 section (1) of this section.

25 “[~~(4)~~ **(3)** In adopting rules under subsection (1) of this section the com-
26 mission:

27 “(a) May establish different packaging standards for different varieties
28 of usable marijuana and for different types of cannabinoid products and
29 cannabinoid concentrates and extracts;

30 “[~~(b)~~ *May establish different minimum packaging standards for persons*

1 registered under ORS 475B.400 to 475B.525 and persons licensed under ORS
2 475B.010 to 475B.395;]

3 “[~~(c)~~] (b) May consider the effect on the environment of requiring certain
4 packaging;

5 “[~~(d)~~] (c) Shall consider the cost of a potential requirement and how that
6 cost will affect the cost to the ultimate consumer of the marijuana item; and

7 “[~~(e)~~] (d) May not adopt rules that are more restrictive than is reasonably
8 necessary to protect the public health and safety.

9 **“SECTION 170.** ORS 475B.620, as amended by section 138 of this 2017
10 Act, is amended to read:

11 “475B.620. (1) As used in this section[;],

12 “[~~(a)~~] ‘licensee’ has the meaning given that term in ORS 475B.015.

13 “[~~(b)~~] ‘Registrant’ means a person registered under ORS 475B.400 to
14 475B.525.]

15 “(2) The Oregon Liquor Control and Cannabis Commission may by rule
16 require a licensee[, and the Oregon Health Authority may by rule require a
17 registrant,] to submit packaging intended for a marijuana item for preap-
18 proval by the commission before the licensee [or registrant] may sell or
19 transfer a marijuana item packaged in the packaging. The commission shall
20 determine whether packaging submitted under this section complies with
21 ORS 475B.615 and any rule adopted under ORS 475B.615.

22 “(3) The commission may impose a fee for submitting packaging for pre-
23 approval under this section that is reasonably calculated to not exceed the
24 cost of administering this section.

25 **“SECTION 171.** ORS 475B.625, as amended by section 15, chapter 83,
26 Oregon Laws 2016, and sections 139 and 155 of this 2017 Act, is amended to
27 read:

28 “475B.625. (1) The Oregon Liquor Control and Cannabis Commission shall
29 adopt rules establishing:

30 “(a) The maximum concentration of tetrahydrocannabinol that is permit-

1 ted in a single serving of a cannabinoid product or cannabinoid concentrate
2 or extract; and

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

5 “(2)(a) In adopting rules under subsection (1)(a) of this section, the com-
6 mission shall prescribe the different levels of concentration of
7 tetrahydrocannabinol that is permitted in a single serving of a cannabinoid
8 product or cannabinoid concentrate or extract for:

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

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

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

19 “[~~(3)~~ *In adopting rules under ORS 475B.400 to 475B.525, the authority shall*
20 *require all usable marijuana, cannabinoid products and cannabinoid concen-*
21 *trates and extracts transferred by a medical marijuana dispensary registered*
22 *under ORS 475B.450 to meet the concentration standards and packaging*
23 *standards adopted by rule pursuant to this section.*]

24 “[~~(4)~~] **(3)** In adopting rules under ORS 475B.010 to 475B.395, the commis-
25 sion shall require all usable marijuana, cannabinoid products and
26 cannabinoid concentrates and extracts sold or transferred by a marijuana
27 retailer that holds a license **issued** under ORS 475B.110 to meet the con-
28 centration standards and packaging standards adopted by rule pursuant to
29 this section.

30 **SECTION 172.** ORS 475B.630 is amended to read:

1 “475B.630. [ORS 475B.600 to 475B.655 do not apply to:]

2 “[*(1) A person responsible for a marijuana grow site under ORS 475B.420*
3 *if the person is transferring usable marijuana or an immature marijuana*
4 *plant, as defined in ORS 475B.015, to:]*

5 “[*(a) A person who holds a registry identification card under ORS 475B.415*
6 *and who designated the person responsible for the marijuana grow site to grow*
7 *marijuana for the person who holds a registry identification card; or]*

8 “[*(b) A person who has been designated as the primary caregiver under*
9 *ORS 475B.418 of a person who holds a registry identification card under ORS*
10 *475B.415, and who designated the person responsible for the marijuana grow*
11 *site to grow marijuana for the person who holds a registry identification card;*
12 *or]*

13 “[**(2)** **ORS 475B.600 to 475B.655 do not apply to** a person who [*has*
14 *been]* **is the** designated [*as the*] primary caregiver under ORS 475B.418 of a
15 person who holds a registry identification card under ORS 475B.415 if the
16 person is transferring a marijuana item to the person who holds a registry
17 identification card.

18 **“SECTION 173.** ORS 475B.800, as amended by section 31, chapter 24,
19 Oregon Laws 2016, and sections 145 and 162 of this 2017 Act, is amended to
20 read:

21 “475B.800. (1) The governing body of a city or county may adopt ordi-
22 nances to be referred to the electors of the city or county as described in
23 subsection (2) of this section that prohibit or allow the establishment of any
24 one or more of the following in the area subject to the jurisdiction of the
25 city or in the unincorporated area subject to the jurisdiction of the county:

26 “[*(a) Marijuana processing sites registered under ORS 475B.435;*]

27 “[*(b) Medical marijuana dispensaries registered under ORS 475B.450;*]

28 “[*(c)*] **(a)** Marijuana producers that hold a license issued under ORS
29 475B.070;

30 “[*(d)*] **(b)** Marijuana processors that hold a license issued under ORS

1 475B.090;

2 “[(e)] (c) Marijuana wholesalers that hold a license issued under ORS
3 475B.100;

4 “[(f)] (d) Marijuana retailers that hold a license issued under ORS
5 475B.110;

6 “[(g)] (e) Marijuana producers that hold a license issued under ORS
7 475B.070 and that the Oregon Liquor Control and Cannabis Commission has
8 designated an exclusively medical licensee under section 158 of this 2017 Act;

9 “[(h)] (f) Marijuana processors that hold a license issued under ORS
10 475B.090 and that the commission has designated an exclusively medical
11 licensee under section 159 of this 2017 Act;

12 “[(i)] (g) Marijuana wholesalers that hold a license issued under ORS
13 475B.100 and that the commission has designated an exclusively medical
14 licensee under section 160 of this 2017 Act;

15 “[(j)] (h) Marijuana retailers that hold a license issued under ORS
16 475B.110 and that the commission has designated an exclusively medical
17 licensee under section 161 of this 2017 Act; or

18 “[(k)] (i) Any combination of the entities described in this subsection.

19 “(2) If the governing body of a city or county adopts an ordinance under
20 this section, the governing body shall submit the measure of the ordinance
21 to the electors of the city or county for approval at the next statewide gen-
22 eral election.

23 “(3) If the governing body of a city or county adopts an ordinance under
24 this section, the governing body must provide the text of the ordinance[:] **to**
25 **the commission, in a form and manner prescribed by the commission.**

26 “[(a) *To the Oregon Health Authority, in a form and manner prescribed by*
27 *the authority, if the ordinance concerns a medical marijuana dispensary reg-*
28 *istered under ORS 475B.450 or a marijuana processing site registered under*
29 *ORS 475B.435; or]*

30 “[(b) *To the commission, if the ordinance concerns a premises for which a*

1 *license has been issued under ORS 475B.010 to 475B.395.]*

2 *“[(4)(a) Upon receiving notice of a prohibition under subsection (3) of this*
3 *section, the authority shall discontinue registering those entities to which the*
4 *prohibition applies until the date of the next statewide general election.]*

5 *“[(b)] (4) Upon receiving notice of a prohibition under subsection (3) of*
6 *this section, the commission shall discontinue licensing those premises to*
7 *which the prohibition applies until the date of the next statewide general*
8 *election.*

9 *“[(5)(a) If an allowance is approved at the next statewide general election*
10 *under subsection (2) of this section, and the allowance concerns an entity de-*
11 *scribed in subsection (1)(a) or (b) of this section, the authority shall begin*
12 *registering the entity to which the allowance applies on the first business day*
13 *of the January immediately following the date of the statewide general*
14 *election.]*

15 *“[(b)] (5) If an allowance is approved at the next statewide general*
16 *election under subsection (2) of this section, [and the allowance concerns an*
17 *entity described in subsection (1)(c) to (f) of this section,] the commission shall*
18 *begin licensing the premises to which the allowance applies on the first*
19 *business day of the January immediately following the date of the next*
20 *statewide general election.*

21 *“(6) Notwithstanding any other provisions of law, a city or county that*
22 *adopts an ordinance under this section that prohibits the establishment of*
23 *an entity described in subsection (1) of this section may not impose a tax*
24 *or fee on the production, processing or sale of marijuana or any product into*
25 *which marijuana has been incorporated.*

26 *“[(7) Notwithstanding subsection (1) of this section, a medical marijuana*
27 *dispensary is not subject to an ordinance adopted under this section if the*
28 *medical marijuana dispensary:]*

29 *“[(a) Is registered under ORS 475B.450 on or before the date on which the*
30 *governing body adopts the ordinance; and]*

1 “[(b) *Has successfully completed a city or county land use application pro-*
2 *cess.*]

3 “[(8) *Notwithstanding subsection (1) of this section, a marijuana processing*
4 *site is not subject to an ordinance adopted under this section if the marijuana*
5 *processing site:*]

6 “[(a) *Is registered under ORS 475B.435 on or before the date on which the*
7 *governing body adopts the ordinance; and*]

8 “[(b) *Has successfully completed a city or county land use application pro-*
9 *cess.*]

10 “**SECTION 174.** Section 30, chapter 24, Oregon Laws 2016, as amended
11 by sections 147 and 163 of this 2017 Act, is amended to read:

12 “**Sec. 30.** (1) The governing body of a city or county may repeal an ordi-
13 nance that prohibits the establishment of any one or more of the following
14 in the area subject to the jurisdiction of the city or in the unincorporated
15 area subject to the jurisdiction of the county:

16 “[(a) *Marijuana processing sites registered under ORS 475B.435;*]

17 “[(b) *Medical marijuana dispensaries registered under ORS 475B.450;*]

18 “[(c)] **(a)** Marijuana producers that hold a license issued under ORS
19 475B.070;

20 “[(d)] **(b)** Marijuana processors that hold a license issued under ORS
21 475B.090;

22 “[(e)] **(c)** Marijuana wholesalers that hold a license issued under ORS
23 475B.100;

24 “[(f)] **(d)** Marijuana retailers that hold a license issued under ORS
25 475B.110; or

26 “[(g)] **(e)** Marijuana producers that hold a license issued under ORS
27 475B.070 and that the Oregon Liquor Control and Cannabis Commission has
28 designated an exclusively medical licensee under section 158 of this 2017 Act;

29 “[(h)] **(f)** Marijuana processors that hold a license issued under ORS
30 475B.090 and that the commission has designated an exclusively medical

1 licensee under section 159 of this 2017 Act;

2 “[(i)] (g) Marijuana wholesalers that hold a license issued under ORS
3 475B.100 and that the commission has designated an exclusively medical
4 licensee under section 160 of this 2017 Act;

5 “[(j)] (h) Marijuana retailers that hold a license issued under ORS
6 475B.110 and that the commission has designated an exclusively medical
7 licensee under section 161 of this 2017 Act; or

8 “[(k)] (i) Any combination of the entities described in this subsection.

9 “(2) If the governing body of a city or county repeals an ordinance under
10 this section, the governing body must provide the text of the ordinance[:] **to**
11 **the commission, in a form and manner prescribed by the commission.**

12 “[(a) *To the Oregon Health Authority, in a form and manner prescribed by*
13 *the authority, if the ordinance concerns a medical marijuana dispensary reg-*
14 *istered under ORS 475B.450 or a marijuana processing site registered under*
15 *ORS 475B.435; or]*

16 “[(b) *To the commission, in a form and manner prescribed by the commis-*
17 *sion, if the ordinance concerns a premises for which a license has been issued*
18 *under ORS 475B.010 to 475B.395.]*

19 **“SECTION 175.** Section 33, chapter 24, Oregon Laws 2016, is amended to
20 read:

21 **“Sec. 33.** (1) As used in this section, ‘designated primary caregiver,’ ‘im-
22 mature marijuana plant,’ ‘marijuana,’ ‘medical cannabinoid product’ and
23 ‘registry identification cardholder’ have the meanings given those terms in
24 ORS 475B.410.

25 “(2) A city or county may not adopt an ordinance, by referral or other-
26 wise, that prohibits or otherwise limits:

27 “(a) The privileges described in ORS 475B.245; or

28 “(b) The right of a registry identification cardholder and the designated
29 primary caregiver of a registry identification cardholder to:

30 “(A) Possess the seeds of marijuana, immature marijuana plants or med-

1 ical cannabinoid products as described in ORS 475B.400 to 475B.525; **or**

2 “(B) Jointly possess [*up to six*] mature marijuana plants **in the quantity**
3 **specified in** [*under*] ORS 475B.428 [(1)]; or

4 “(C) Jointly possess [*up to 24 ounces of*] usable marijuana **in the quantity**
5 **specified in** [*under*] ORS 475B.430 [(1)].

6 **“SECTION 176.** Section 2, chapter 97, Oregon Laws 2016, as amended by
7 section 151 of this 2017 Act, is amended to read:

8 **“Sec. 2.** A financial institution that provides financial services custom-
9 arily provided by financial institutions pursuant to powers granted by ORS
10 717.200 to 717.320, 717.900 and 717.905, the Bank Act or by ORS chapter 723
11 to [*a marijuana processing site registered under ORS 475B.435, a medical*
12 *marijuana dispensary registered under ORS 475B.450,*] a marijuana producer
13 that holds a license issued under ORS 475B.070, a marijuana processor that
14 holds a license issued under ORS 475B.090, a marijuana wholesaler that
15 holds a license issued under ORS 475B.100, a marijuana retailer that holds
16 a license issued under ORS 475B.110, a laboratory that holds a license issued
17 under ORS 475B.560 or a person to whom a permit has been issued under
18 ORS 475B.218 is exempt from any criminal law of this state an element of
19 which may be proven by substantiating that a person provides financial ser-
20 vices customarily provided by financial institutions pursuant to powers
21 granted by ORS 717.200 to 717.320, 717.900 and 717.905, the Bank Act or ORS
22 chapter 723 to a person that possesses, delivers or manufactures marijuana
23 or marijuana-derived products.

24 **“SECTION 177.** Section 6, chapter 97, Oregon Laws 2016, is amended to
25 read:

26 **“Sec. 6.** Information received by a financial institution under section 3[,
27 4] or 5 [*of this 2016 Act*], **chapter 97, Oregon Laws 2016**, is confidential for
28 purposes of ORS 717.200 to 717.320, 717.900 and 717.905, the Bank Act and
29 ORS chapter 723. Except as otherwise required or permitted by the provisions
30 of ORS 192.583 to 192.607, 717.200 to 717.320, 717.900 and 717.905, or the Bank

1 Act or ORS chapter 723, or by other state law or rule or federal law or
2 regulation, a financial institution may not make the information available
3 to any person other than:

4 “(1) The customer to whom the information applies; and

5 “(2) A trustee, conservator, guardian, personal representative or agent of
6 the customer to whom the information applies.

7
8 **“(Repeals)”**

9 **“(Operative March 30, 2019)”**

10
11 **“SECTION 178. ORS 475B.580, 475B.640 and 475B.650 and section 4,**
12 **chapter 97, Oregon Laws 2016, are repealed.**

13
14 **“CONFORMING AMENDMENTS**

15 **EFFECTIVE 91ST DAY AFTER ADJOURNMENT SINE DIE**

16
17 **“SECTION 179. ORS 25.750 is amended to read:**

18 “25.750. (1) All licenses, certificates, permits or registrations that a person
19 is required by state law to possess in order to engage in an occupation or
20 profession or to use a particular occupational or professional title, all annual
21 licenses issued to individuals by the Oregon Liquor Control **and Cannabis**
22 Commission, all driver licenses or permits issued by the Department of
23 Transportation and recreational hunting and fishing licenses, as defined by
24 rule of the Department of Justice, be subject to suspension by the respective
25 issuing entities upon certification to the issuing entity by the administrator
26 that a child support case record is being maintained by the Department of
27 Justice, that the case is being enforced by the administrator under the pro-
28 visions of ORS 25.080 and that one or both of the following conditions apply:

29 “(a) That the party holding the license, certificate, permit or registration
30 is in arrears under any child support judgment or order, in an amount equal