

# D R A F T

## SUMMARY

Provides Oregon Liquor Control Commission with additional power to enforce state marijuana laws.

Provides that commission licensee may be designated by commission as exclusively medical licensee.

Provides that licensee, under certain conditions, may transport marijuana items to and exhibit marijuana items at trade show, Oregon State Fair or similar event.

Directs Oregon Health Authority to create database for sharing registry identification cardholder information with commission.

Transfers duty to adopt labeling standards from authority to commission.

Adjusts limit on number of immature marijuana plant that registry identification cardholder may own. Provides that total of 10 mature marijuana plants may be kept at one address.

Provides that State Department of Agriculture may possess, test and dispose of marijuana items for horticultural purposes.

Makes technical changes.

Takes effect 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to cannabis; creating new provisions; amending ORS 279A.025,  
3 475B.010, 475B.015, 475B.025, 475B.033, 475B.035, 475B.040, 475B.045,  
4 475B.055, 475B.060, 475B.065, 475B.068, 475B.070, 475B.075, 475B.125,  
5 475B.130, 475B.135, 475B.140, 475B.150, 475B.160, 475B.170, 475B.180,  
6 475B.190, 475B.200, 475B.205, 475B.210, 475B.215, 475B.218, 475B.230,  
7 475B.233, 475B.235, 475B.255, 475B.260, 475B.290, 475B.295, 475B.298,  
8 475B.300, 475B.305, 475B.310, 475B.315, 475B.325, 475B.340, 475B.345,  
9 475B.355, 475B.358, 475B.365, 475B.370, 475B.399, 475B.428, 475B.430,  
10 475B.605, 475B.655 and 475B.800 and sections 22, 30 and 33, chapter 24,

1 Oregon Laws 2016, and sections 2, 3, 4, 5 and 29b, chapter 83, Oregon  
2 Laws 2016; and prescribing an effective date.

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

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5 **GENERAL PROVISIONS**

6  
7 **SECTION 1.** ORS 475B.010 is amended to read:

8 475B.010. ORS 475B.010 to 475B.395 shall be known and may be cited as  
9 the [*Control and Regulation of Marijuana Act.*] **Adult and Medical Use of**  
10 **Cannabis Act.**

11 **SECTION 2.** Sections 3 and 4 of this 2017 Act are added to and made  
12 a part of ORS 475B.010 to 475B.395.

13 **SECTION 3.** A license issued under ORS 475B.010 to 475B.395 serves  
14 the purpose of exempting the person that holds the license from the  
15 criminal laws of this state for possession, delivery or manufacture of  
16 marijuana items if the person:

17 (1) Has possessed, delivered or manufactured marijuana items both  
18 for adult use purposes and medical use purposes; and

19 (2) Has otherwise complied with the laws of this state relating to  
20 marijuana items.

21 **SECTION 4.** Except as otherwise provided by law, the Oregon Li-  
22 quor Control Commission has any power, and may perform any func-  
23 tion, necessary for the commission to prevent the diversion of  
24 marijuana from a source that is legal under state law to a source that  
25 is not legal under state law.

26  
27 **REGULATORY SPECIALISTS**

28  
29 **SECTION 5.** Section 6 of this 2017 Act is added to and made a part  
30 of ORS 475B.010 to 475B.395.

31 **SECTION 6.** (1) In addition to the duties, functions and powers de-

1 scribed in ORS 471.775, and subject to subsection (2) of this section, a  
2 regulatory specialist, as defined in ORS 471.005, has the authority as  
3 provided in ORS 133.005 to 133.400, 133.450, 133.525 to 133.703, 133.721 to  
4 133.739, 161.235, 161.245, 475B.010 to 475B.395, 475B.550 to 475B.590 and  
5 475B.600 to 475B.655, and chapter 743, Oregon Laws 1971, to conduct  
6 inspections and investigations, make seizures, aid in prosecutions of  
7 and issue citations to licensees and persons who hold a certificate or  
8 permit under ORS 475B.010 to 475B.395 for violations of and offenses  
9 related to, and otherwise enforce, ORS 475B.010 to 475B.395, 475B.550  
10 to 475B.590 and 475B.600 to 475B.655, any rule adopted under ORS  
11 475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to 475B.655 and  
12 any other law of this state that charges the Oregon Liquor Control  
13 Commission with a duty, function or power related to a marijuana  
14 item, including enforcing any law or rule related to individuals who  
15 use false identification for purposes of purchasing or possessing a  
16 marijuana item or who engage in illegal activity on or near a premises.

17 (2) A regulatory specialist may not:

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

20 (b) Carry a firearm.

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

24 (d) For purposes of ensuring compliance with ORS 475B.400 to  
25 475B.525, conduct inspections and investigations of registry identifica-  
26 tion cardholders or designated primary caregivers, the residences of  
27 registry identification cardholders or designated primary caregivers,  
28 or the locations where registry identification cardholders or designated  
29 primary caregivers produce marijuana.

30  
31 **FINANCIAL DISCLOSURE**

1       **SECTION 7.** Section 8 of this 2017 Act is added to and made a part  
2 of ORS 475B.010 to 475B.395.

3       **SECTION 8.** (1) The Oregon Liquor Control Commission may re-  
4 quire a licensee or applicant for a license under ORS 475B.010 to  
5 475B.395 to submit, in a form and manner prescribed by the commis-  
6 sion, to the commission a sworn statement showing:

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

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

13       (2) The commission may refuse to issue, or may suspend, revoke  
14 or refuse to renew, a license issued under ORS 475B.010 to 475B.395 if  
15 the commission determines that a person that has a financial interest  
16 in the business operating or to be operated under the license commit-  
17 ted or failed to commit an act that would constitute grounds for the  
18 commission to refuse to issue, or to suspend, revoke or refuse to re-  
19 new, the license if the person were the licensee or applicant for the  
20 license.

21       **SECTION 9.** Section 10 of this 2017 Act is added to and made a part  
22 of ORS 475B.550 to 475B.590.

23       **SECTION 10.** (1) The Oregon Liquor Control Commission may re-  
24 quire a licensee or applicant for a license under ORS 475B.560 to sub-  
25 mit, in a form and manner prescribed by the commission, to the  
26 commission a sworn statement showing:

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

30       (b) The nature and extent of the financial interest of each person  
31 that has a financial interest in the business operating or to be oper-

1 ated under the license.

2 (2) The commission may refuse to issue, or may suspend, revoke  
3 or refuse to renew, a license issued under ORS 475B.560 if the com-  
4 mission determines that a person that has a financial interest in the  
5 business operating or to be operated under the license committed or  
6 failed to commit an act that would constitute grounds for the com-  
7 mission to refuse to issue, or to suspend, revoke or refuse to renew,  
8 the license if the person were the licensee or applicant for the license.

9  
10 **LETTER OF REPRIMAND**

11  
12 **SECTION 11.** Sections 12 and 13 of this 2017 Act are added to and  
13 made a part of ORS 475B.010 to 475B.395.

14 **SECTION 12.** (1) Notwithstanding the lapse, suspension or revoca-  
15 tion of a license issued under ORS 475B.010 to 475B.395, the Oregon  
16 Liquor Control Commission may:

17 (a) Proceed with any investigation of, or any action or disciplinary  
18 proceeding against, the person who held the license; or

19 (b) Revise or render void an order suspending or revoking the li-  
20 cense.

21 (2) In cases involving the proposed denial of a license issued under  
22 ORS 475B.010 to 475B.395, the commission has jurisdiction to proceed  
23 with any action or disciplinary proceeding against the applicant for  
24 licensure if the commission has issued a notice of the intent to deny  
25 licensure.

26 **SECTION 13.** (1) Notwithstanding the lapse, suspension or revoca-  
27 tion of a permit issued under ORS 475B.218, the Oregon Liquor Control  
28 Commission may:

29 (a) Proceed with any investigation of, or any action or disciplinary  
30 proceeding against, the person who held the permit; or

31 (b) Revise or render void an order suspending or revoking the per-

1 mit.

2 (2) In cases involving the proposed denial of a permit issued under  
3 ORS 475B.218, the commission has jurisdiction to proceed with any  
4 action or disciplinary proceeding against the applicant for the permit  
5 if the commission has issued a notice of the intent to deny the permit.

6 SECTION 14. Section 15 of this 2017 Act is added to and made a part  
7 of ORS 475B.550 to 475B.590.

8 SECTION 15. (1) Notwithstanding the lapse, suspension or revoca-  
9 tion of a license issued under ORS 475B.560, the Oregon Liquor Control  
10 Commission may:

11 (a) Proceed with any investigation of, or any action or disciplinary  
12 proceeding against, the person who held the license; or

13 (b) Revise or render void an order suspending or revoking the li-  
14 cense.

15 (2) In cases involving the proposed denial of a license issued under  
16 ORS 475B.560, the commission has jurisdiction to proceed with any  
17 action or disciplinary proceeding against the applicant for licensure if  
18 the commission has issued a notice of the intent to deny licensure.

19

20

## TRADE SHOWS

21

22 SECTION 16. Section 17 of this 2017 Act is added to and made a part  
23 of ORS 475B.010 to 475B.395.

24 SECTION 17. (1) Notwithstanding ORS 475B.160 or any other pro-  
25 vision prohibiting the transportation of marijuana items to or from a  
26 location for which a license has not been issued under ORS 475B.010  
27 to 475B.395 or prohibiting the possession of marijuana items at a lo-  
28 cation for which a license has not been issued under ORS 475B.010 to  
29 475B.395, a licensee may transport marijuana items to and exhibit  
30 marijuana items at a trade show, the Oregon State Fair or a similar  
31 event if:

1 (a) The marijuana items are tracked using the system developed  
2 and maintained under ORS 475B.150;

3 (b) All of the marijuana items are returned to a premises for which  
4 a license has been issued under ORS 475B.010 to 475B.395 immediately  
5 after the conclusion of the event; and

6 (c) The licensee complies with any other requirement imposed by  
7 the Oregon Liquor Control Commission by rule or order for the pur-  
8 pose of ensuring the security of the marijuana items, for the purpose  
9 of preventing minors from having access to the marijuana items or for  
10 any other purpose deemed relevant by the commission.

11 (2) The commission shall adopt rules to implement this section.

12  
13 **PRODUCTION, PROCESSING AND SALE FOR MEDICAL PURPOSES**

14  
15 **SECTION 18.** Section 2, chapter 83, Oregon Laws 2016, is amended to  
16 read:

17 **Sec 2.** [(1) As used in this section, “designated primary caregiver,”  
18 “marijuana processing site,” “medical marijuana dispensary” and “registry  
19 identification cardholder” have the meanings given those terms in ORS  
20 475B.410.]

21 [(2)] (1) To produce marijuana for medical purposes, a marijuana producer  
22 that holds a license **issued** under ORS 475B.070 must register with the  
23 Oregon Liquor Control Commission under this section.

24 [(3)] (2) The commission shall register a marijuana producer for the pur-  
25 pose of producing marijuana for medical purposes if the marijuana producer:

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

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

28 (c) Applies to the commission in a form and manner prescribed by the  
29 commission; and

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

31 [(4)(a) A marijuana producer registered under this section may produce

1 *marijuana for a registry identification cardholder, and provide usable*  
2 *marijuana to the registry identification cardholder or to the designated pri-*  
3 *mary caregiver of the registry identification cardholder, if the marijuana pro-*  
4 *ducer enters into an agreement with the registry identification cardholder for*  
5 *whom the marijuana producer is producing the marijuana. An agreement en-*  
6 *tered into under this subsection:]*

7 *[(A) Must be submitted to the commission in a manner prescribed by the*  
8 *commission;]*

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

12 *[(C) May require a registry identification cardholder, or a designated pri-*  
13 *mary caregiver on behalf of a registry identification cardholder, to reimburse*  
14 *a marijuana producer for all costs associated with producing marijuana for*  
15 *the registry identification cardholder or providing usable marijuana to the*  
16 *registry identification cardholder or designated primary caregiver;]*

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

21 *[(E) May not allow the marijuana producer to provide to the registry iden-*  
22 *tification cardholder an amount of usable marijuana that exceeds the amount*  
23 *that a registry identification cardholder and a designated primary caregiver*  
24 *may jointly possess under ORS 475B.430; and]*

25 *[(F) May allow the marijuana producer to keep a portion of the usable*  
26 *marijuana harvested from the marijuana produced for the registry identifica-*  
27 *tion cardholder for the purposes of:]*

28 *[(i) Providing usable marijuana to additional registry identification*  
29 *cardholders or designated primary caregivers; and]*

30 *[(ii) Transferring or selling usable marijuana to marijuana processing sites*  
31 *or medical marijuana dispensaries.]*



1       [(c) Marijuana produced for a registry identification cardholder, and usable  
2 marijuana transferred or sold to a marijuana processing site or medical  
3 marijuana dispensary, pursuant to an agreement entered into under this sub-  
4 section must be tracked by the system developed and maintained under ORS  
5 475B.150.]

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

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

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

15       [(B) Registration information received by the commission under this para-  
16 graph that is confidential and not subject to public disclosure under ORS  
17 475B.460 and 475B.462 remains confidential and not subject to public disclo-  
18 sure after being provided to the commission.]

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

22       [(5)(a) The commission shall adopt rules necessary to administer this sec-  
23 tion, including rules:]

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

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

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

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

1 *and]*

2 *[(E) Prohibiting a registry identification cardholder from entering into*  
3 *more than one agreement with a marijuana producer registered under this*  
4 *section.]*

5 **(3) Subject to subsection (4) of this section, a marijuana producer**  
6 **registered under this section may produce mature marijuana plants**  
7 **on a medically designated grow canopy in addition to producing ma-**  
8 **ture marijuana plants on the grow canopy allowed under rules adopted**  
9 **under ORS 475B.075. The commission shall specify the size of medically**  
10 **designated grow canopies by rule, provided that the size of any med-**  
11 **ically designated grow canopy does not exceed 10 percent of the total**  
12 **size of both the medically designated grow canopy and the grow**  
13 **canopy allowed under rules adopted under ORS 475B.075 at the time**  
14 **that the marijuana producer applies for registration under this sec-**  
15 **tion.**

16 **(4) A marijuana producer registered under this section must pro-**  
17 **vide, for no consideration, at least 75 percent of the usable marijuana**  
18 **harvested from the marijuana producer's medically designated grow**  
19 **canopy to registry identification cardholders and designated primary**  
20 **caregivers.**

21 **(5) A marijuana producer registered under this section may not,**  
22 **during a single transaction, provide a registry identification**  
23 **cardholder or the designated primary caregiver of a registry identifi-**  
24 **cation cardholder an amount of usable marijuana that exceeds the**  
25 **amount of usable marijuana that a registry identification cardholder**  
26 **and a designated primary caregiver may jointly possess under ORS**  
27 **475B.430.**

28 **(6)(a) The commission shall adopt rules necessary to administer this**  
29 **section.**

30 **(b) The rules must establish sanctions for failure to meet the re-**  
31 **quirements of this section or a rule adopted under this section, in-**

1 **cluding revocation of permission for the marijuana producer's**  
2 **medically designated grow canopy.**

3 [(b)] (c) The rules must provide that any fee adopted by the commission  
4 under subsection [(3)(d)] (2)(d) of this section be in an amount reasonably  
5 calculated to not exceed, together with other fees collected under ORS  
6 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395.

7 **SECTION 19.** Section 3, chapter 83, Oregon Laws 2016, is amended to  
8 read:

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

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

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

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

20 (a) Process marijuana and usable marijuana into medical grade  
21 cannabinoid products, cannabinoid concentrates and cannabinoid extracts[.];  
22 **and**

23 (b) **For a fee, process marijuana and usable marijuana into**  
24 **cannabinoid products, cannabinoid concentrates and cannabinoid ex-**  
25 **tracts for a registry identification cardholder or the designated pri-**  
26 **mary caregiver of a registry identification cardholder, provided that**  
27 **the cannabinoid products, cannabinoid concentrates and cannabinoid**  
28 **extracts meet the requirements of ORS 475B.550 to 475B.590 and**  
29 **475B.625.**

30 (4)(a) The commission shall adopt rules necessary to administer this sec-  
31 tion.

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

5 **SECTION 20.** Section 4, chapter 83, Oregon Laws 2016, is amended to  
6 read:

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

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

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

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

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

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

18 (3) A marijuana wholesaler registered under this section may sell medical  
19 grade cannabinoid products, cannabinoid concentrates and cannabinoid ex-  
20 tracts at wholesale.

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

26 **SECTION 21.** Section 5, chapter 83, Oregon Laws 2016, is amended to  
27 read:

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

31 [(2)] (1) To sell marijuana **items** at retail for medical purposes, a

1 marijuana retailer that holds a license **issued** under ORS 475B.110 must  
2 register with the Oregon Liquor Control Commission under this section.

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

6 (a) Holds a license **issued** under ORS 475B.110;

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

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

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

11 [(4)] (3) A marijuana retailer registered under this section:

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

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

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

21 (d) May provide, **for no consideration**, usable marijuana and medical  
22 grade cannabinoid products, cannabinoid concentrates and cannabinoid ex-  
23 tracts to **a** registry identification [*cardholders and designated primary*  
24 *caregivers free of charge*] **cardholder and the designated primary**  
25 **caregiver of the registry identification cardholder.**

26 [(5)] (4)(a) The commission shall adopt rules necessary to administer this  
27 section.

28 (b) The rules must provide that any fee adopted by the commission under  
29 subsection [(3)(d)] (2)(d) of this section be in an amount reasonably calcu-  
30 lated to not exceed, together with other fees collected under ORS 475B.010  
31 to 475B.395, the cost of administering ORS 475B.010 to 475B.395.

1       **SECTION 22.** Sections 23 to 26 of this 2017 Act are added to and  
2 made a part of ORS 475B.010 to 475B.395.

3       **SECTION 23.** (1) The Oregon Liquor Control Commission shall des-  
4 ignate any marijuana producer that holds a license issued under ORS  
5 475B.070 and that is registered under section 2, chapter 83, Oregon  
6 Laws 2016, as an exclusively medical licensee if the marijuana producer  
7 attests, in a form and manner prescribed by the commission, to:

8       (a) Producing marijuana only for medical purposes; and

9       (b) Transferring usable marijuana only to marijuana processors  
10 registered under section 3, chapter 83, Oregon Laws 2016, marijuana  
11 wholesalers registered under section 4, chapter 83, Oregon Laws 2016,  
12 marijuana retailers registered under section 5, chapter 83, Oregon  
13 Laws 2016, registry identification cardholders and designated primary  
14 caregivers.

15       (2) If the commission makes a designation under this section, the  
16 commission shall keep a record of the designation.

17       **SECTION 24.** (1) The Oregon Liquor Control Commission shall des-  
18 ignate any marijuana processor that holds a license issued under ORS  
19 475B.090 and that is registered under section 3, chapter 83, Oregon  
20 Laws 2016, as an exclusively medical licensee if the marijuana  
21 processor attests, in a form and manner prescribed by the commission,  
22 to:

23       (a) Processing marijuana only for medical purposes;

24       (b) Receiving usable marijuana only from a marijuana producer  
25 registered under section 2, chapter 83, Oregon Laws 2016; and

26       (c) Transferring cannabinoid products, cannabinoid concentrates  
27 and cannabinoid extracts only to marijuana wholesalers registered  
28 under section 4, chapter 83, Oregon Laws 2016, marijuana retailers  
29 registered under section 5, chapter 83, Oregon Laws 2016, registry  
30 identification cardholders and designated primary caregivers.

31       (2) If the commission makes a designation under this section, the

1 **commission shall keep a record of the designation.**

2 **SECTION 25. (1) The Oregon Liquor Control Commission shall des-**  
3 **ignate any marijuana wholesaler that holds a license issued under ORS**  
4 **475B.100 and that is registered under section 4, chapter 83, Oregon**  
5 **Laws 2016, as an exclusively medical licensee if the marijuana whole-**  
6 **saler attests, in a form and manner prescribed by the commission, to:**

7 **(a) Selling marijuana items only for a medical purposes;**

8 **(b) Receiving usable marijuana only 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) Receiving cannabinoid products, cannabinoid concentrates and**  
13 **cannabinoid extracts only from a marijuana processor registered under**  
14 **section 3, chapter 83, Oregon Laws 2016; and**

15 **(d) Transferring usable marijuana, cannabinoid products,**  
16 **cannabinoid concentrates and cannabinoid extracts only to marijuana**  
17 **retailers registered under section 5, chapter 83, Oregon Laws 2016.**

18 **(2) If the commission makes a designation under this section, the**  
19 **commission shall keep a record of the designation.**

20 **SECTION 26. (1) The Oregon Liquor Control Commission shall des-**  
21 **ignate any marijuana retailer that holds a license issued under ORS**  
22 **475B.110 and that is registered under section 5, chapter 83, Oregon**  
23 **Laws 2016, as an exclusively medical licensee if the marijuana retailer**  
24 **attests, in a form and manner prescribed by the commission, to:**

25 **(a) Selling marijuana items only for medical purposes;**

26 **(b) Receiving usable marijuana only from marijuana producers**  
27 **registered under section 2, chapter 83, Oregon Laws 2016, marijuana**  
28 **processors registered under section 3, chapter 83, Oregon Laws 2016,**  
29 **and marijuana wholesalers registered under section 4, chapter 83,**  
30 **Oregon Laws 2016;**

31 **(c) Receiving cannabinoid products, cannabinoid concentrates and**

1 **cannabinoid extracts only from a marijuana processor registered under**  
2 **section 3, chapter 83, Oregon Laws 2016, and marijuana wholesalers**  
3 **registered under section 4, chapter 83, Oregon Laws 2016; and**

4 **(d) Transferring usable marijuana, cannabinoid products,**  
5 **cannabinoid concentrates and cannabinoid extracts only to registry**  
6 **identification cardholders and designated primary caregivers.**

7 **(2) If the commission makes a designation under this section, the**  
8 **commission shall keep a record of the designation.**

9 **SECTION 27.** ORS 475B.800, as amended by section 31, chapter 24,  
10 Oregon Laws 2016, is amended to read:

11 475B.800. (1) The governing body of a city or county may adopt ordinances  
12 to be referred to the electors of the city or county as described in subsection  
13 (2) of this section that prohibit or allow the establishment of any one or  
14 more of the following in the area subject to the jurisdiction of the city or  
15 in the unincorporated 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) Marijuana producers [*licensed*] **that hold a license issued** under ORS  
19 475B.070;

20 (d) Marijuana processors [*licensed*] **that hold a license issued** under  
21 ORS 475B.090;

22 (e) Marijuana wholesalers [*licensed*] **that hold a license issued** under  
23 ORS 475B.100;

24 (f) Marijuana retailers [*licensed*] **that hold a license issued** under ORS  
25 475B.110; [*or*]

26 (g) **Marijuana producers that hold a license issued under ORS**  
27 **475B.070 and that the Oregon Liquor Control Commission has desig-**  
28 **nated as an exclusively medical licensee under section 23 of this 2017**  
29 **Act;**

30 (h) **Marijuana processors that hold a license issued under ORS**  
31 **475B.090 and that the commission has designated as an exclusively**



1 **medical licensee under section 24 of this 2017 Act;**

2 (i) **Marijuana wholesalers that hold a license issued under ORS**  
3 **475B.100 and that the commission has designated as an exclusively**  
4 **medical licensee under section 25 of this 2017 Act;**

5 (j) **Marijuana retailers that hold a license issued under ORS 475B.110**  
6 **and that the commission has designated as an exclusively medical**  
7 **licensee under section 26 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 by  
16 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*] commission, if the ordinance concerns  
20 a premises for which a license has been issued under ORS [*475B.070,*  
21 *475B.090, 475B.100 or 475B.110*] **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  
31 registering the entity to which the allowance applies on the first business

1 day of the January immediately following the date of the statewide general  
2 election.

3 (b) If an allowance is approved at the next statewide general election  
4 under subsection (2) of this section, and the allowance concerns an entity  
5 described in subsection (1)(c) to [(f)] (j) of this section, the commission shall  
6 begin licensing the premises to which the allowance applies on the first  
7 business day of the January immediately following the date of the next  
8 statewide general election.

9 **(6) If the electors of a city or county approve an ordinance prohib-**  
10 **iting or allowing an establishment described in subsection (1)(a), (b)**  
11 **or (g) to (j) of this section, the governing body of the city or county**  
12 **may amend the ordinance, without referring the amendment to the**  
13 **electors of the city or county, to prohibit or allow any other estab-**  
14 **lishment described in subsection (1)(a), (b) or (g) to (j) of this section.**

15 [(6)] (7) Notwithstanding any other provisions of law, a city or county  
16 that adopts an ordinance under this section that prohibits the establishment  
17 of an entity described in subsection (1) of this section may not impose a tax  
18 or fee on the production, processing or sale of marijuana or any product into  
19 which marijuana has been incorporated.

20 [(7)] (8) Notwithstanding subsection (1) of this section, a medical  
21 marijuana dispensary is not subject to an ordinance adopted under this sec-  
22 tion if the medical marijuana dispensary:

23 (a) Is registered under ORS 475B.450 on or before the date on which the  
24 governing body adopts the ordinance; and

25 (b) Has successfully completed a city or county land use application pro-  
26 cess.

27 [(8)] (9) Notwithstanding subsection (1) of this section, a marijuana pro-  
28 cessing site is not subject to an ordinance adopted under this section if the  
29 marijuana processing site:

30 (a) Is registered under ORS 475B.435 on or before the date on which the  
31 governing body adopts the ordinance; and

1 (b) Has successfully completed a city or county land use application pro-  
2 cess.

3 **SECTION 28.** Section 30, chapter 24, Oregon Laws 2016, is amended to  
4 read:

5 **Sec. 30.** (1) The governing body of a city or county may repeal an ordi-  
6 nance that prohibits the establishment of any one or more of the following  
7 in the area subject to the jurisdiction of the city or in the unincorporated  
8 area subject to the jurisdiction of the county:

9 (a) Marijuana processing sites registered under ORS 475B.435;

10 (b) Medical marijuana dispensaries registered under ORS 475B.450;

11 (c) Marijuana producers [*licensed*] **that hold a license issued** under ORS  
12 475B.070;

13 (d) Marijuana processors [*licensed*] **that hold a license issued** under  
14 ORS 475B.090;

15 (e) Marijuana wholesalers [*licensed*] **that hold a license issued** under  
16 ORS 475B.100;

17 (f) Marijuana retailers [*licensed*] **that hold a license issued** under ORS  
18 475B.110; [*or*]

19 **(g) Marijuana producers that hold a license issued under ORS**  
20 **475B.070 and that the Oregon Liquor Control Commission has desig-**  
21 **nated as an exclusively medical licensee under section 23 of this 2017**  
22 **Act;**

23 **(h) Marijuana processors that hold a license issued under ORS**  
24 **475B.090 and that the commission has designated as an exclusively**  
25 **medical licensee under section 24 of this 2017 Act;**

26 **(i) Marijuana wholesalers that hold a license issued under ORS**  
27 **475B.100 and that the commission has designated as an exclusively**  
28 **medical licensee under section 25 of this 2017 Act;**

29 **(j) Marijuana retailers that hold a license issued under ORS 475B.110**  
30 **and that the commission has designated as an exclusively medical**  
31 **licensee under section 26 of this 2017 Act; or**

1 [(g)] (k) Any combination of the entities described in this subsection.

2 (2) If the governing body of a city or county repeals an ordinance under  
3 this section, the governing body must provide the text of the ordinance:

4 (a) To the Oregon Health Authority, in a form and manner prescribed by  
5 the authority, if the ordinance concerns a medical marijuana dispensary  
6 registered under ORS 475B.450 or a marijuana processing site registered un-  
7 der ORS 475B.435; or

8 (b) To the [*Oregon Liquor Control*] commission, in a form and manner  
9 prescribed by the commission, if the ordinance concerns a premises for which  
10 a license has been issued under ORS [*475B.070, 475B.090, 475B.100 or*  
11 *475B.110*] **475B.010 to 475B.395.**

12  
13 **DATABASE**  
14

15 **SECTION 29. Section 30 of this 2017 Act is added to and made a part**  
16 **of ORS 475B.400 to 475B.525.**

17 **SECTION 30. (1) The Oregon Health Authority shall establish,**  
18 **maintain and operate an electronic system for the keeping of infor-**  
19 **mation received by the authority under ORS 475B.415 or included on**  
20 **a registry identification card issued under ORS 475B.415.**

21 **(2) The authority may contract with a state agency or private entity**  
22 **to ensure the effective establishment, maintenance or operation of the**  
23 **electronic system.**

24 **(3) Except as provided in subsection (4) of this section, information**  
25 **kept in the electronic system is confidential and not subject to public**  
26 **disclosure under ORS 192.410 to 192.505. Except as provided in sub-**  
27 **section (4) of this section, the authority may not disclose the infor-**  
28 **mation for any reason.**

29 **(4) The authority shall establish the electronic system in a manner**  
30 **that allows the Oregon Liquor Control Commission, the Department**  
31 **of Revenue, the Water Resources Department and the State Depart-**

1 ment of Agriculture to remotely access the electronic system. Infor-  
2 mation disclosed to the commission and the departments under this  
3 subsection remains confidential and not subject to public disclosure  
4 under ORS 192.410 to 192.505. The commission and the departments  
5 may not disclose the information for any reason.

6 (5) The electronic system must be immediately accessible by the  
7 commission and the departments at all times.

8  
9 **LABELING**

10  
11 **SECTION 31.** (1) On the operative date specified in section 88 of this  
12 2017 Act, the duty of the Oregon Health Authority to adopt rules under  
13 ORS 475B.605 (1), and the power of the authority to impose civil pen-  
14 alties under ORS 475B.655, are imposed upon, transferred to and vested  
15 in the Oregon Liquor Control Commission.

16 (2) Notwithstanding the transfer under subsection (1) of this section  
17 of the duty to adopt rules, the rules of the authority that are in effect  
18 on the operative date specified in section 88 of this 2017 Act continue  
19 in effect until superseded or repealed by rules of the commission.  
20 References in the rules of the authority to the authority or an officer  
21 or employee of the authority are considered to be references to the  
22 commission or an officer or employee of the commission.

23 (3) Notwithstanding the transfer under subsection (1) of this section  
24 of the power to impose civil penalties, the proceedings of the authority  
25 that are pending on the operative date specified in section 88 of this  
26 2017 Act are not affected by the transfer, except that the commission  
27 is substituted for the authority in the proceedings and moneys col-  
28 lected by the commission under the proceedings must be deposited in  
29 the Marijuana Control and Regulation Fund established under ORS  
30 475B.240.

31 **SECTION 32.** ORS 475B.605 is amended to read:

1 475B.605. (1) As is necessary to protect the public health and safety, and  
2 in consultation with the [*Oregon Liquor Control Commission*] **Oregon**  
3 **Health Authority** and the State Department of Agriculture, the [*Oregon*  
4 *Health Authority*] **Oregon Liquor Control Commission** shall adopt rules  
5 establishing standards for the labeling of marijuana items, including but not  
6 limited to:

7 (a) Ensuring that usable marijuana, cannabinoid concentrates and ex-  
8 tracts, cannabinoid edibles and other cannabinoid products have labeling  
9 that communicates:

10 (A) Health and safety warnings;

11 (B) Activation time;

12 (C) Results of tests conducted pursuant to ORS 475B.550 to 475B.590;

13 (D) Potency;

14 (E) For cannabinoid products and cannabinoid concentrates and extracts,  
15 serving size and the number of servings included in a cannabinoid product  
16 or cannabinoid concentrate or extract package; and

17 (F) Content of the marijuana item; and

18 (b) Labeling that is in accordance with applicable state food labeling re-  
19 quirements for the same type of food product or potable liquid when the food  
20 product or potable liquid does not contain marijuana or cannabinoids.

21 (2) In adopting rules under ORS 475B.400 to 475B.525, the authority shall  
22 require all usable marijuana, cannabinoid products and cannabinoid concen-  
23 trates and extracts transferred by a medical marijuana dispensary registered  
24 under ORS 475B.450 to be labeled in accordance with subsection (1) of this  
25 section and rules adopted under subsection (1) of this section.

26 (3) In adopting rules under ORS 475B.010 to 475B.395, the commission  
27 shall require all usable marijuana, cannabinoid products and cannabinoid  
28 concentrates and extracts sold or transferred by a marijuana retailer that  
29 holds a license **issued** under ORS 475B.110 to be labeled in accordance with  
30 subsection (1) of this section and rules adopted under subsection (1) of this  
31 section.

1 (4) In adopting rules under subsection (1) of this section, the [authority:]  
2 **commission:**

3 (a) May establish different labeling standards for different varieties of  
4 usable marijuana and for different types of cannabinoid products and  
5 cannabinoid concentrates and extracts;

6 (b) May establish different minimum labeling standards for persons reg-  
7 istered under ORS 475B.400 to 475B.525 and persons licensed under ORS  
8 475B.010 to 475B.395;

9 (c) Shall consider the cost of a potential requirement and how that cost  
10 will affect the cost to the ultimate consumer of the marijuana item; and

11 (d) May not adopt rules that are more restrictive than is reasonably  
12 necessary to protect the public health and safety.

13 **SECTION 33.** ORS 475B.655 is amended to read:

14 475B.655. (1) In addition to any other liability or penalty provided by law,  
15 the [*Oregon Health Authority*] **Oregon Liquor Control Commission** may  
16 impose for each violation of a provision of ORS 475B.600 to 475B.655, or a  
17 rule adopted under a provision of ORS 475B.600 to 475B.655, a civil penalty  
18 that does not exceed \$500 for each day that the violation occurs.

19 (2) The [authority] **commission** shall impose civil penalties under this  
20 section in the manner provided by ORS 183.745.

21 (3) Moneys collected under this section shall be deposited in the [*Oregon*  
22 *Health Authority Fund established under ORS 413.101*] **Marijuana Control**  
23 **and Regulation Fund established under ORS 475B.240** and are contin-  
24 uously appropriated to the [authority] **commission** for the purpose of car-  
25 rying out the duties, functions and powers of the authority under ORS  
26 475B.600 to 475B.655.

27

28

## PLANT LIMITS

29

30 **SECTION 34.** Section 35 of this 2017 Act is added to and made a part  
31 of ORS 475B.400 to 475B.525.

1       **SECTION 35. (1) The number of mature marijuana plants that a**  
2 **registry identification cardholder and the designated primary caregiver**  
3 **of the registry identification cardholder may jointly possess under ORS**  
4 **475B.428, and the amount of usable marijuana that a registry identifi-**  
5 **cation cardholder and the designated primary caregiver of the registry**  
6 **identification cardholder may jointly possess under ORS 475B.430, is in**  
7 **addition to, and not in lieu of, the number of marijuana plants and the**  
8 **amount of usable marijuana that may be possessed at a household as**  
9 **described in ORS 475B.245.**

10       **(2) The number of immature marijuana plants and amount of**  
11 **medical cannabinoid products, cannabinoid concentrates and**  
12 **cannabinoid extracts that a registry identification cardholder or des-**  
13 **ignated primary caregiver of a registry identification cardholder may**  
14 **possess under ORS 475B.400 to 475B.525 are not limited by ORS**  
15 **475B.245.**

16       **SECTION 36.** ORS 475B.428, as amended by section 23, chapter 24,  
17 Oregon Laws 2016, is amended to read:

18       475B.428. [(1)] **(1)(a)** [*Subject to subsection (2) of this section,*] A registry  
19 identification cardholder and the designated primary caregiver of the regis-  
20 try identification cardholder may jointly possess:

21       **(A) Six or fewer mature marijuana plants[.]; and**

22       **(B) Twelve or fewer immature marijuana plants.**

23       **(b) Unless an address is of a marijuana grow site registered under**  
24 **ORS 475B.420 or a premises for which a license has been issued under**  
25 **ORS 475B.070, the address where a registry identification cardholder**  
26 **or the designated primary caregiver of a registry identification**  
27 **cardholder produce marijuana may be used to produce not more than:**

28       **(A) Six or fewer mature marijuana plants; and**

29       **(B) Twelve or fewer immature marijuana plants.**

30       **(2)(a)** A person may be designated to produce marijuana under ORS  
31 475B.420 by no more than four registry identification cardholders.



1 (b) A person who is designated to produce marijuana by a registry iden-  
2 tification cardholder may produce no more than six mature marijuana plants  
3 for a registry identification cardholder who designates the person to produce  
4 marijuana.

5 (3) If the address of a person responsible for a marijuana grow site under  
6 ORS 475B.420 is located within city limits in an area zoned for residential  
7 use:

8 (a) Except as provided in paragraph (b) of this subsection, no more than  
9 12 mature marijuana plants may be produced at the address; or

10 (b) Subject to subsection (5) of this section, if each person responsible for  
11 a marijuana grow site located at the address first registered with the Oregon  
12 Health Authority under ORS 475B.420 before January 1, 2015, no more than  
13 the amount of mature marijuana plants located at that address on December  
14 31, 2014, in excess of 12 mature marijuana plants, not to exceed 24 mature  
15 marijuana plants, may be produced at the address.

16 (4) If the address of a person responsible for a marijuana grow site under  
17 ORS 475B.420 is located in an area other than an area described in sub-  
18 section (3) of this section:

19 (a) Except as provided in paragraph (b) of this subsection, no more than  
20 48 mature marijuana plants may be produced at the address; or

21 (b) Subject to subsections (5) and (6) of this section, if each person re-  
22 sponsible for a marijuana grow site located at the address first registered  
23 with the authority under ORS 475B.420 before January 1, 2015, no more than  
24 the amount of mature marijuana plants located at that address on December  
25 31, 2014, in excess of 48 mature marijuana plants, not to exceed 96 mature  
26 marijuana plants, may be produced at the address.

27 (5) If the authority suspends or revokes the registration of a person re-  
28 sponsible for a marijuana grow site that is located at an address described  
29 in subsection (3)(b) or (4)(b) of this section:

30 (a) No more than 12 mature marijuana plants may be subsequently  
31 produced at any address described in subsection (3) of this section at which

1 the person responsible for that marijuana grow site produces marijuana.

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

5 (6) If a registry identification cardholder who designated a person to  
6 produce marijuana for the registry identification cardholder pursuant to ORS  
7 475B.420 terminates the designation, the person responsible for the marijuana  
8 grow site whose designation has been terminated may not be designated to  
9 produce marijuana by another registry identification cardholder, except that  
10 the person may be designated by another registry identification cardholder  
11 if no more than 48 mature marijuana plants are produced at the address for  
12 the marijuana grow site at which the person produces marijuana.

13 (7) Subject to the limits described in subsections (2) to (6) of this section,  
14 if multiple persons responsible for a marijuana grow site under ORS 475B.420  
15 are located at the same address, the persons designated to produce marijuana  
16 by registry identification cardholders who are located at that address may  
17 collectively produce mature marijuana plants for any number of registry  
18 identification cardholders who designate the persons to produce marijuana.

19 (8) If a law enforcement officer determines that [*a registry identification*  
20 *cardholder, the designated primary caregiver of a registry identification*  
21 *cardholder, or a person responsible for a marijuana grow site under ORS*  
22 *475B.420 who grows marijuana for a registry identification cardholder, pos-*  
23 *sesses]* **there is** a number of [*mature*] marijuana plants **at an address** in  
24 excess of the quantities specified in this section, **or that an address is be-**  
25 **ing used to produce a number of marijuana plants in excess of the**  
26 **quantities specified in subsection (1)(b) of this section,** the law enforce-  
27 ment officer may confiscate only the excess number of [*mature*] marijuana  
28 plants.

29 **SECTION 36a.** Section 33, chapter 24, Oregon Laws 2016, is amended to  
30 read:

31 **Sec. 33.** (1) As used in this section, “designated primary caregiver,” “im-

1 mature marijuana plant,” “marijuana,” “medical cannabinoid product” and  
2 “registry identification cardholder” have the meanings given those terms in  
3 ORS 475B.410.

4 (2) A city or county may not adopt an ordinance, by referral or otherwise,  
5 that prohibits or otherwise limits:

6 (a) The privileges described in ORS 475B.245; or

7 (b) The right of a registry identification cardholder and the designated  
8 primary caregiver of a registry identification cardholder to:

9 (A) Possess the seeds of marijuana, immature marijuana plants or medical  
10 cannabinoid products as described in ORS 475B.400 to 475B.525;

11 (B) Jointly possess up to six mature marijuana plants **and up to twelve**  
12 **immature marijuana plants** under ORS 475B.428 (1); or

13 (C) Jointly possess up to 24 ounces of usable marijuana under ORS  
14 475B.430 (1).

15

16 **TESTING BY STATE DEPARTMENT OF AGRICULTURE**

17

18 **SECTION 36b. The State Department of Agriculture may possess,**  
19 **test and dispose of marijuana items for horticultural purposes.**

20

21 **TECHNICAL AMENDMENTS**

22

23 **SECTION 37.** 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 ac-  
28 tive constituents of marijuana.

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

31 (a) A mechanical extraction process;

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

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

7 (d) Any other process identified by the Oregon Liquor Control Commis-  
8 sion, in consultation with the Oregon Health Authority, by rule.

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

12 (4) “Cannabinoid extract” means a substance obtained by separating  
13 cannabinoids from marijuana by:

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

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

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

20 (5)(a) “Cannabinoid product” means a cannabinoid edible and any other  
21 product intended for human consumption or use, including a product in-  
22 tended to be applied to the skin or hair, that contains cannabinoids or dried  
23 marijuana leaves or flowers.

24 (b) “Cannabinoid product” does not include:

25 (A) Usable marijuana by itself;

26 (B) A cannabinoid concentrate by itself;

27 (C) A cannabinoid extract by itself; or

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

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

31 (7) **“Designated primary caregiver” has the meaning given that**

1 **term in ORS 475B.410.**

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

5 (b) “Financial consideration” does not include marijuana, cannabinoid  
 6 products or cannabinoid concentrates that are delivered within the scope of  
 7 and in compliance with ORS 475B.245.

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

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

14 [(10)] (11) “Housing unit” means a house, an apartment or a mobile home,  
 15 or a group of rooms or a single room that is occupied as separate living  
 16 quarters, in which the occupants live and eat separately from any other  
 17 persons in the building and that has direct access from the outside of the  
 18 building or through a common hall.

19 [(11)] (12) “Immature marijuana plant” means a marijuana plant that is  
 20 not flowering.

21 [(12)] (13) “Licensee” means a person [*who*] **that** holds a license issued  
 22 under ORS 475B.070, 475B.090, 475B.100 or 475B.110.

23 [(13)] (14) “Licensee representative” means an owner, director, officer,  
 24 manager, employee, agent or other representative of a licensee, to the extent  
 25 that the person acts in a representative capacity.

26 [(14)(a)] (15)(a) “Marijuana” means the plant Cannabis family  
 27 Cannabaceae, any part of the plant Cannabis family Cannabaceae and [*the*  
 28 *seeds of the plant Cannabis family Cannabaceae*] **marijuana seeds**.

29 (b) “Marijuana” does not include industrial hemp, as defined in ORS  
 30 571.300.

31 [(15)] (16) “Marijuana flowers” means the flowers of the plant genus

1 Cannabis within the plant family Cannabaceae.

2 [(16)] (17) “Marijuana items” means marijuana, cannabinoid products,  
3 cannabinoid concentrates and cannabinoid extracts.

4 [(17)] (18) “Marijuana leaves” means the leaves of the plant genus  
5 Cannabis within the plant family Cannabaceae.

6 [(18)] (19) “Marijuana processor” means a person who processes  
7 marijuana items in this state.

8 [(19)] (20) “Marijuana producer” means a person who produces marijuana  
9 in this state.

10 [(20)] (21) “Marijuana retailer” means a person who sells marijuana items  
11 to a consumer in this state.

12 **(22)(a) “Marijuana seeds” means the seeds of the plant Cannabis**  
13 **family Cannabaceae.**

14 **(b) “Marijuana seeds” does not include the seeds of industrial hemp,**  
15 **as defined in ORS 571.300.**

16 [(21)] (23) “Marijuana wholesaler” means a person who purchases  
17 marijuana items in this state for resale to a person other than a consumer.

18 [(22)] (24) “Mature marijuana plant” means a marijuana plant that is not  
19 an immature marijuana plant.

20 [(23)] (25) “Medical grade cannabinoid product, cannabinoid concentrate  
21 or cannabinoid extract” means a cannabinoid product, cannabinoid concen-  
22 trate or cannabinoid extract that has a concentration of  
23 tetrahydrocannabinol that is permitted under ORS 475B.625 in a single  
24 serving of the cannabinoid product, cannabinoid concentrate or cannabinoid  
25 extract for consumers who hold a valid registry identification card issued  
26 under ORS 475B.415.

27 [(24)] (26) “Medical purpose” means a purpose related to using usable  
28 marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid  
29 extracts to mitigate the symptoms or effects of a debilitating medical condi-  
30 tion, as defined in ORS 475B.410.

31 [(25)] (27) “Noncommercial” means not dependent or conditioned upon the

1 provision or receipt of financial consideration.

2 [(26)(a)] **(28)(a)** “Premises” [or “*licensed premises*”] includes the following  
3 areas of a location licensed under ORS [475B.070, 475B.090, 475B.100 or  
4 475B.110] **475B.010 to 475B.395**:

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

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

11 (C) For a location that the commission has specifically licensed for the  
12 production of marijuana outside a building, that portion of the location used  
13 to produce marijuana.

14 (b) “Premises” [or “*licensed premises*”] does not include a primary resi-  
15 dence, **unless the primary residence is the location of a grow canopy**  
16 **of a marijuana producer that holds a license issued under ORS**  
17 **475B.070**.

18 [(27)(a)] **(29)(a)** “Processes” means the processing, compounding or con-  
19 version of marijuana into cannabinoid products, cannabinoid concentrates  
20 or cannabinoid extracts.

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

22 [(28)(a)] **(30)(a)** “Produces” means the manufacture, planting, cultivation,  
23 growing or harvesting of marijuana.

24 (b) “Produces” does not include:

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

27 (B) The cultivation and growing of an immature marijuana plant by a  
28 marijuana processor, marijuana wholesaler or marijuana retailer if the  
29 marijuana processor, marijuana wholesaler or marijuana retailer purchased  
30 or otherwise received the plant from a licensed marijuana producer.

31 [(29)] **(31)** “Propagate” means to grow immature marijuana plants or to

1 breed or produce [*the seeds of the plant Cannabis family Cannabaceae*]  
2 **marijuana seeds.**

3 [(30)] (32) “Public place” means a place to which the general public has  
4 access and includes, but is not limited to, hallways, lobbies and other parts  
5 of apartment houses and hotels not constituting rooms or apartments de-  
6 signed for actual residence, and highways, streets, schools, places of  
7 amusement, parks, playgrounds and areas used in connection with public  
8 passenger transportation.

9 (33) “Registry identification cardholder” has the meaning given that  
10 term in ORS 475B.410.

11 [(31)(a)] (34)(a) “Usable marijuana” means the dried leaves and flowers  
12 of marijuana.

13 (b) “Usable marijuana” does not include:

14 (A) **Marijuana seeds;**

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

16 [(B)] (C) Waste material that is a by-product of producing or processing  
17 marijuana.

18 **SECTION 38.** ORS 475B.025 is amended to read:

19 475B.025. (1) The Oregon Liquor Control Commission has the [*powers*  
20 *and*] duties, **functions and powers** specified in ORS 475B.010 to 475B.395  
21 and the powers necessary or proper to enable the commission to carry out  
22 the commission’s duties, functions and powers under ORS 475B.010 to  
23 475B.395. The jurisdiction, supervision, duties, functions and powers of the  
24 commission extend to any person who [*buys, sells,*] produces, processes,  
25 transports [*or delivers any marijuana items within*], **delivers, sells or pur-**  
26 **chases a marijuana item in** this state. The commission may sue and be  
27 sued.

28 (2) The duties, functions and powers of the commission **specified** in ORS  
29 475B.010 to 475B.395 include the following:

30 (a) To regulate the [*purchase, sale,*] production, processing, transportation  
31 [*and*], delivery, **sale and purchase** of marijuana items in accordance with



1 the provisions of ORS 475B.010 to 475B.395.

2 (b) To [*grant, refuse, suspend or cancel*] **issue, renew, suspend, revoke**  
3 **or refuse to issue or renew** licenses for the [*sale, processing or*]  
4 **production, processing or sale** of marijuana items, or other licenses [*in re-*  
5 *gard to*] **related to the consumption of** marijuana items, and to permit, in  
6 the commission's discretion, the transfer of a license between persons.

7 [(c) *To investigate and aid in the prosecution of every violation of the*  
8 *statutory laws of this state relating to marijuana items and to cooperate in the*  
9 *prosecution of offenders before any state court of competent jurisdiction.*]

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

13 [(e)] (d) To exercise all powers incidental, convenient or necessary to  
14 enable the commission to administer or carry out the provisions of ORS  
15 475B.010 to 475B.395 or any other law of this state that charges the com-  
16 mission with a duty, function or power related to marijuana. Powers de-  
17 scribed in this paragraph include, but are not limited to:

18 (A) Issuing subpoenas;

19 (B) Compelling the attendance of witnesses;

20 (C) Administering oaths;

21 (D) Certifying official acts;

22 (E) Taking depositions as provided by law;

23 (F) Compelling the production of books, payrolls, accounts, papers, re-  
24 cords, documents and testimony; and

25 (G) Establishing fees in addition to the application, licensing and renewal  
26 fees described in ORS 475B.070, 475B.090, 475B.100 and 475B.110, provided  
27 that any fee established by the commission is reasonably calculated not to  
28 exceed the cost of the activity for which the fee is charged.

29 [(f)] (e) To adopt rules regulating and prohibiting [*marijuana producers,*  
30 *marijuana processors, marijuana wholesalers and marijuana retailers from*]  
31 advertising marijuana items in a manner:

- 1 (A) That is appealing to minors;
- 2 (B) That promotes excessive use;
- 3 (C) That promotes illegal activity; or
- 4 (D) That otherwise presents a significant risk to public health and safety.

5 [(g)] **(f)** To regulate the use of marijuana items for [*scientific, pharma-*  
6 *ceutical, manufacturing, mechanical, industrial and*] other purposes **as**  
7 **deemed necessary or appropriate by the commission.**

8 (3) Fees collected pursuant to subsection [(2)(e)(G)] **(2)(d)(G)** of this sec-  
9 tion shall be deposited in the Marijuana Control and Regulation Fund es-  
10 tablished under ORS 475B.240.

11 **SECTION 39.** ORS 475B.033 is amended to read:

12 475B.033. The Oregon Liquor Control Commission may, by **rule or** order,  
13 provide for the manner and conditions under which:

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

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

20 (3) A secured party, as defined in ORS 79.0102, may continue to operate  
21 a [*business*] **premises** for which a license has been issued under ORS  
22 [*475B.070, 475B.090, 475B.100 or 475B.110*] **475B.010 to 475B.395** for a rea-  
23 sonable period after default on the indebtedness by the debtor.

24 **SECTION 40.** ORS 475B.035 is amended to read:

25 475B.035. The Oregon Liquor Control Commission may limit the quantity  
26 of marijuana items purchased at any one time by a consumer [*so as*  
27 *effectually to*] **if the commission determines that the limitation is nec-**  
28 **essary to** prevent the resale of marijuana items.

29 **SECTION 41.** ORS 475B.040 is amended to read:

30 475B.040. (1) An applicant for a license or renewal of a license **issued**  
31 under ORS 475B.010 to 475B.395 shall apply to the Oregon Liquor Control

1 Commission in the form required by the commission **by rule**, showing the  
 2 name and address of the applicant, location of the [*place of business*] **prem-**  
 3 **ises** that is to be operated under the license and other pertinent information  
 4 required by the commission. The commission may not [*grant*] **issue** or renew  
 5 a license until the applicant has complied with the provisions of ORS  
 6 475B.010 to 475B.395 and [*the rules of the commission*] **rules adopted under**  
 7 **ORS 475B.010 to 475B.395.**

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

13 (3) Except as provided in subsection (2) of this section, a revocation of,  
 14 or a refusal to issue or renew, a license **issued** under ORS 475B.010 to  
 15 475B.395 is subject to the requirements for contested case proceedings under  
 16 ORS chapter 183.

17 **SECTION 42.** ORS 475B.045 is amended to read:

18 475B.045. (1) The Oregon Liquor Control Commission may not license an  
 19 applicant under the provisions of ORS 475B.010 to 475B.395 if the applicant  
 20 is under 21 years of age.

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

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

26 (b) Has made false statements to the commission.

27 (c) Is incompetent or physically unable to carry on the management of the  
 28 establishment proposed to be licensed.

29 (d) Has been convicted of violating a [*general or local law of this state or*  
 30 *another state, or of violating a federal law,*] **federal law, state law or local**  
 31 **ordinance** if the conviction is substantially related to the fitness and ability

1 of the applicant to lawfully carry out activities under the license.

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

3 (f) Does not have a good record of compliance with ORS 475B.010 to  
4 475B.395 or any rule [*of the commission*] adopted under ORS 475B.010 to  
5 475B.395.

6 (g) Is not the legitimate owner of the [*business*] **premises** proposed to be  
7 licensed, or **has not disclosed that** other persons have ownership interests  
8 in the [*business that have not been disclosed.*] **premises proposed to be li-**  
9 **censed.**

10 (h) [*Is not possessed of or*] Has not demonstrated financial responsibility  
11 sufficient to adequately meet the requirements of the [*business*] **premises**  
12 proposed to be licensed.

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

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

20 (a) The manufacture of marijuana, if:

21 (A) The date of the conviction is two or more years before the date of the  
22 application; and

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

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

26 (A) The date of the conviction is two or more years before the date of the  
27 application; and

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

30 (c) The possession of marijuana.

31 **SECTION 43.** ORS 475B.055 is amended to read:

1 475B.055. A license [*granted*] **issued** under ORS 475B.010 to 475B.395:

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

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

4 [(3)] (2) Is renewable in the manner provided in ORS 475B.040, except for  
5 a cause that would be grounds for refusal to issue the license under ORS  
6 475B.045.

7 [(4)] (3) Is revocable or suspendible as provided in ORS 475B.210.

8 [(5)] (4) Is transferable from the premises for which the license was ori-  
9 ginally issued to another premises subject to the provisions of ORS 475B.010  
10 to 475B.395, applicable rules [*of the Oregon Liquor Control Commission*]  
11 **adopted under ORS 475B.010 to 475B.395** and applicable local ordinances.

12 [(6)] (5) **If the licensee was issued to an individual**, expires upon the  
13 death of the licensee, except as provided in ORS 475B.033.

14 [(7)] (6) Does not constitute property.

15 [(8)] (7) Is not alienable.

16 [(9)] (8) Is not subject to attachment or execution.

17 [(10)] (9) Does not descend by the laws of testate or intestate devolution.

18 **SECTION 44.** ORS 475B.060 is amended to read:

19 475B.060. (1) The Oregon Liquor Control Commission shall approve or  
20 deny an application to [*produce, process and sell marijuana under ORS*  
21 *475B.070, 475B.090, 475B.100 and 475B.110*] **be licensed under ORS 475B.010**  
22 **to 475B.395**. Upon receiving an application **under ORS 475B.040**, the com-  
23 mission may not unreasonably delay processing, approving or denying the  
24 application or, if the application is approved, issuing the license.

25 (2) The licenses described in ORS [*475B.070, 475B.090, 475B.100 and*  
26 *475B.110*] **475B.010 to 475B.395** must be issued by the commission, subject to  
27 the provisions of ORS 475B.010 to 475B.395 and [*the*] rules adopted under  
28 ORS 475B.010 to 475B.395.

29 (3) The commission may not license a premises that does not have defined  
30 boundaries. A [*licensed*] premises does not need to be enclosed by a wall,  
31 fence or other structure, but the commission may require [*that*] a [*licensed*]

1 premises **to** be enclosed as a condition of issuing or renewing a license. The  
2 commission may not license **a** mobile premises.

3 **SECTION 45.** ORS 475B.065 is amended to read:

4 475B.065. Licensees and licensee representatives may produce, deliver and  
5 possess marijuana items subject to the provisions of ORS 475B.010 to  
6 475B.395 **and rules adopted under ORS 475B.010 to 475B.395.** The pro-  
7 duction, delivery [*and*] **or** possession of marijuana items by a licensee or a  
8 licensee representative in compliance with ORS 475B.010 to 475B.395 **and**  
9 **rules adopted under ORS 475B.010 to 475B.395** does not constitute a  
10 criminal or civil offense under the laws of this state.

11 **SECTION 46.** ORS 475B.068 is amended to read:

12 475B.068. [*The same person may hold one or more production licenses, one*  
13 *or more processor licenses, one or more wholesale licenses and one or more*  
14 *retail licenses.*] **A person may hold:**

15 **(1) Multiple licenses to conduct at different premises the same ac-**  
16 **tivity for which a license is required under ORS 475B.010 to 475B.395;**  
17 **and**

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

21 **SECTION 47.** ORS 475B.070, as amended by section 1, chapter 24, Oregon  
22 Laws 2016, and section 7, chapter 83, Oregon Laws 2016, is amended to read:

23 475B.070. (1) The production of marijuana is subject to regulation by the  
24 Oregon Liquor Control Commission.

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

- 28 (a) Must apply for a license in the manner described in ORS 475B.040;  
29 (b) Must provide proof that the applicant is 21 years of age or older; and  
30 (c) Must meet the requirements of any rule adopted by the commission  
31 under subsection (3) of this section.

1 (3) The commission shall adopt rules that:

2 (a) Require a marijuana producer to annually renew a license issued un-  
3 der this section;

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

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

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

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

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

23 (g)(A) Require a marijuana producer to meet any public health and safety  
24 standards and industry best practices established by the commission by rule  
25 related to:

26 (i) The production of marijuana; or

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

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

31 (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 475B.010  
8 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 es-  
13 tablished under ORS 475B.240.

14 **SECTION 48.** ORS 475B.075, as amended by section 10, chapter 24,  
15 Oregon Laws 2016, is amended to read:

16 475B.075. (1) Subject to subsection (2) of this section, the Oregon Liquor  
17 Control Commission shall adopt rules restricting the size of mature  
18 marijuana plant grow canopies at premises for which a license has been is-  
19 sued under ORS 475B.070. In adopting rules under this subsection, the com-  
20 mission shall:

21 (a) Limit the size of mature marijuana plant grow canopies, for premises  
22 where marijuana is grown outdoors and for premises where marijuana is  
23 grown indoors, in a manner calculated to result in premises that produce the  
24 same amount of harvested marijuana leaves and harvested marijuana flowers  
25 regardless of whether the marijuana is grown outdoors or indoors.

26 (b) Adopt a tiered system under which the permitted size of a marijuana  
27 producer's mature marijuana plant grow canopy increases at the time of  
28 licensure renewal under ORS 475B.070, except that the permitted size of a  
29 marijuana producer's mature marijuana plant grow canopy may not increase  
30 following any year during which the commission disciplined the marijuana  
31 producer for violating a provision of ORS 475B.010 to 475B.395 or a rule



1 adopted under [*a provision of*] ORS 475B.010 to 475B.395.

2 (c) Take into consideration the market demand for marijuana items in  
3 this state, the number of [*persons*] **marijuana producers** applying for a li-  
4 cense under ORS 475B.070, [*and to whom a license has been issued*] **the**  
5 **number of marijuana producers that hold a license issued** under ORS  
6 475B.070[,] and whether the availability of marijuana items in this state is  
7 commensurate with the market demand.

8 (2) This section:

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

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

15 **SECTION 49.** ORS 475B.125 is amended to read:

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

26 **SECTION 50.** ORS 475B.130 is amended to read:

27 475B.130. (1) The Oregon Liquor Control Commission [*has the right after*  
28 *72 hours' notice to the owner or the agent of the owner to*] **may, after 72**  
29 **hours' notice,** make an examination of the books [*and*] **of a licensee for**  
30 **the purpose of determining compliance with ORS 475B.010 to 475B.395**  
31 **and rules adopted under ORS 475B.010 to 475B.395.**

1       **(2) The commission** may at any time make an examination of *[the]* a  
2 premises *[of any person licensed]* **for which a license has been issued** under  
3 ORS 475B.010 to 475B.395 for the purpose of determining compliance with  
4 ORS 475B.010 to 475B.395 and *[the rules of the commission]* **rules adopted**  
5 **under ORS 475B.010 to 475B.395.**

6       [(2)] **(3)** The commission may not require the books of a licensee to be  
7 maintained on *[the]* a premises of the licensee.

8       [(3)] **(4)** This section does not authorize the commission to make an ex-  
9 amination of *[the]* a premises of a person registered under ORS 475B.400 to  
10 475B.525.

11       **SECTION 51.** ORS 475B.135 is amended to read:

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

16       (1) For conducting the activities permitted under each license, if the  
17 licensee holds more than one license issued under ORS *[475B.070, 475B.090,*  
18 *475B.100 or 475B.110]* **475B.010 to 475B.395 for the same premises;** or

19       (2) For conducting activities related to processing marijuana into differ-  
20 ent types of cannabinoid products, cannabinoid concentrates or cannabinoid  
21 extracts, if the licensee is a marijuana processor **that holds a license is-**  
22 **sued under ORS 475B.090 and** that processes marijuana into any combina-  
23 tion of different types of products, concentrates and extracts.

24       **SECTION 52.** ORS 475B.140 is amended to read:

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

1        **SECTION 53.** ORS 475B.150, as amended by section 64, chapter 24,  
2 Oregon Laws 2016, is amended to read:

3        475B.150. (1) The Oregon Liquor Control Commission shall develop and  
4 maintain a system for tracking the transfer of marijuana items between  
5 premises **for which licenses have been issued under ORS 475B.010 to**  
6 **475B.395.**

7        (2) The purposes of the system developed and maintained under this sec-  
8 tion include, but are not limited to:

9        (a) Preventing the diversion of marijuana items to criminal enterprises,  
10 gangs, cartels and other states;

11        (b) Preventing persons from substituting or tampering with marijuana  
12 items;

13        (c) Ensuring an accurate accounting of the production, processing and  
14 sale of marijuana items;

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

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

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

22        (a) The propagation of immature marijuana plants and the production of  
23 marijuana by a marijuana producer;

24        (b) The processing of marijuana by a marijuana processor;

25        (c) The receiving, storing and delivering of marijuana items by a  
26 marijuana wholesaler;

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

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

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

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

4 **SECTION 54.** ORS 475B.160, as amended by section 23, chapter 23,  
5 Oregon Laws 2016, section 65, chapter 24, Oregon Laws 2016, and section 12,  
6 chapter 83, Oregon Laws 2016, is amended to read:

7 475B.160. (1) Except as provided in section 22, chapter 23, Oregon Laws  
8 2016, and section 2, chapter 83, Oregon Laws 2016, a marijuana producer **that**  
9 **holds a license issued under ORS 475B.070**, marijuana processor **that**  
10 **holds a license issued under ORS 475B.090** or marijuana wholesaler **that**  
11 **holds a license issued under ORS 475B.100** may deliver marijuana items  
12 only to or on a premises **for which a license has been issued under ORS**  
13 **475B.070, 475B.090, 475B.100 or 475B.110, or to a registry identification**  
14 **cardholder or designated primary caregiver as allowed under ORS**  
15 **475B.010 to 475B.395.**

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

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

22 **(a) A marijuana producer that holds a license issued under ORS**  
23 **475B.070, marijuana processor that holds a license issued under ORS**  
24 **475B.090, marijuana wholesaler that holds a license issued under ORS**  
25 **475B.100 or marijuana retailer that holds a license issued under ORS**  
26 **475B.110;**

27 **(b) A researcher of cannabis [certified] that holds a certificate issued**  
28 **under ORS 475B.235 [who] and that transfers limited amounts of marijuana,**  
29 **usable marijuana, cannabinoid products, cannabinoid concentrates and**  
30 **cannabinoid extracts in accordance with procedures adopted under ORS**  
31 **475B.235 (3)(d) and (e); or**

1 (c) A marijuana grow site registered under ORS 475B.420, marijuana pro-  
 2 cessing site registered under ORS 475B.435, or a medical marijuana  
 3 dispensary registered under ORS 475B.450, acting in accordance with proce-  
 4 dures adopted by the **Oregon Liquor Control** Commission under section 25,  
 5 chapter 24, Oregon Laws 2016.

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

11 (4) **The commission may by order waive the requirements of sub-**  
 12 **sections (1) and (2) of this section to ensure compliance with ORS**  
 13 **475B.010 to 475B.395 or a rule adopted under ORS 475B.010 to 475B.395.**  
 14 **An order issued under this subsection does not constitute a waiver of**  
 15 **any other requirement of ORS 475B.010 to 475B.395 or any other rule**  
 16 **adopted under ORS 475B.010 to 475B.395.**

17 **SECTION 55.** ORS 475B.170 is amended to read:

18 475B.170. (1) Subject to subsection (2) of this section, a licensee or  
 19 licensee representative, before selling or providing a marijuana item to an-  
 20 other person, must require the person to produce one of the following pieces  
 21 of identification:

22 (a) The person's passport.

23 (b) The person's driver license, **issued by the State of Oregon or an-**  
 24 **other state** [*whether issued in this state or by any other state, as long as the*  
 25 *license has a picture of the person*].

26 (c) An identification card issued under ORS 807.400.

27 (d) A United States military identification card.

28 (e) Any other identification card issued by a state that bears a picture  
 29 of the person, the name of the person, the person's date of birth and a  
 30 physical description of the person.

31 (2) The Oregon Liquor Control Commission may adopt rules exempting a

1 licensee or licensee representative from this section.

2 **SECTION 56.** ORS 475B.180 is amended to read:

3 475B.180. (1) A licensee may not employ [*any*] **a** person under 21 years of  
4 age [*in any part of any licensed premises*] **at a premises for which a license**  
5 **has been issued under ORS 475B.010 to 475B.395.**

6 (2) During [*any*] **an** inspection of a [*licensed*] premises **for which a li-**  
7 **cence has been issued under ORS 475B.010 to 475B.395**, the Oregon Liquor  
8 Control Commission may require proof that a person performing work at the  
9 premises is 21 years of age or older. If the person does not provide the  
10 commission with acceptable proof of age upon request, the commission may  
11 require the person to immediately cease any activity and leave the premises  
12 until the commission receives acceptable proof of age. This subsection does  
13 not apply to a person temporarily at the premises to make a service, main-  
14 tenance or repair call or for other purposes independent of the premises op-  
15 erations.

16 (3) If a person performing work has not provided proof of age requested  
17 by the commission under subsection (2) of this section, the commission may  
18 request that the licensee provide proof that the person is 21 years of age or  
19 older. Failure of the licensee to respond to a request made under this sub-  
20 section by providing acceptable proof of age for a person is prima facie evi-  
21 dence that the licensee has allowed the person to perform work at the  
22 [*licensed*] premises **for which a license has been issued under ORS**  
23 **475B.010 to 475B.395** in violation of the minimum age requirement.

24 **SECTION 57.** ORS 475B.315 is amended to read:

25 475B.315. (1) Except where other punishment is specifically provided for  
26 in ORS 475B.010 to 475B.395, violation of any provision of ORS 475B.010 to  
27 475B.395 is a Class A misdemeanor.

28 (2) Subject to ORS 153.022, violation of a rule adopted under ORS  
29 475B.025 [(2)(d)] **(2)(c)** is a Class C violation.

30 **SECTION 58.** ORS 475B.190 is amended to read:

31 475B.190. (1) A licensee may not use or allow the use of a mark or label

1 on the container of a marijuana item that is kept for sale if the [*container*]  
2 **mark or label** does not precisely and clearly indicate the nature of the  
3 container's contents or **if the mark or label** in any way might deceive a  
4 customer [*as to*] **about** the nature, composition, quantity, age or quality of  
5 the [*marijuana item.*] **container's contents.**

6 (2) The Oregon Liquor Control Commission may prohibit a licensee from  
7 selling any brand of marijuana item that in the commission's judgment is  
8 deceptively **branded or** labeled [*or branded as to content*] or contains  
9 injurious or adulterated ingredients.

10 **SECTION 59.** ORS 475B.200 is amended to read:

11 475B.200. (1) Except for a [*licensed marijuana producer and the producer's*  
12 *licensee representative*] **marijuana producer that holds a license issued**  
13 **under ORS 475B.070 or licensee representative of a marijuana producer**  
14 **that holds a license issued under ORS 475B.070,** a licensee **or licensee**  
15 **representative** may not possess a mature marijuana plant.

16 (2) A licensee **or licensee representative** may not sell a mature  
17 marijuana plant.

18 **SECTION 60.** ORS 475B.205 is amended to read:

19 475B.205. (1) A person may not make false representations or statements  
20 to the Oregon Liquor Control Commission in order to induce or prevent  
21 action by the commission.

22 (2) A licensee [*of the commission*] may not maintain a noisy, lewd, disor-  
23 derly or insanitary establishment or supply impure or otherwise deleterious  
24 marijuana items.

25 (3) A licensee [*of the commission*] may not misrepresent to a customer or  
26 to the public any marijuana items.

27 **SECTION 61.** ORS 475B.210 is amended to read:

28 475B.210. The Oregon Liquor Control Commission may revoke or suspend  
29 a license issued under ORS 475B.010 to 475B.395 if the commission finds or  
30 has reasonable ground to believe any of the following to be true:

31 (1) That the licensee:

1 (a) Has violated a provision of ORS 475B.010 to 475B.395 or a rule [*of the*  
2 *commission*] adopted under ORS 475B.010 to 475B.395.

3 (b) Has made any false representation or statement to the commission in  
4 order to induce or prevent action by the commission.

5 (c) Is insolvent or incompetent or physically unable to carry on the  
6 management of the establishment of the licensee.

7 (d) Is in the habit of using alcoholic liquor, habit-forming drugs,  
8 marijuana or controlled substances to excess.

9 (e) Has misrepresented to a customer or the public any marijuana items  
10 sold by the licensee.

11 (f) Since the [*granting*] **issuance** of the license, has been convicted of a  
12 felony, of violating any of the marijuana laws of this state, general or local,  
13 or of any misdemeanor or violation of any municipal ordinance committed  
14 on the [*licensed*] premises **for which the license has been issued**.

15 (2) That there is any other reason that, in the opinion of the commission,  
16 based on public convenience or necessity, warrants [*canceling*] **revoking** or  
17 suspending the license.

18 **SECTION 62.** ORS 475B.215, as amended by section 16, chapter 23,  
19 Oregon Laws 2016, is amended to read:

20 475B.215. (1) An individual who performs work for or on behalf of a  
21 [*person who holds a license under ORS 475B.070, 475B.090, 475B.100 or*  
22 *475B.110*] **licensee** must have a valid permit issued by the Oregon Liquor  
23 Control Commission under ORS 475B.218 if the individual participates in:

24 (a) The possession, production, propagation, processing, securing or sell-  
25 ing of marijuana items at the premises for which the license has been issued;

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

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

30 (2) A [*person who holds a license under ORS 475B.070, 475B.090, 475B.100*  
31 *or 475B.110*] **licensee** must verify that an individual has a valid permit is-



1 sued under ORS 475B.218 before allowing the individual to perform any work  
2 described in subsection (1) of this section at the premises for which the li-  
3 cense has been issued.

4 **SECTION 63.** ORS 475B.218, as amended by section 13, chapter 24,  
5 Oregon Laws 2016, is amended to read:

6 475B.218. (1) The Oregon Liquor Control Commission shall issue permits  
7 to qualified applicants to perform work described in ORS 475B.215. The  
8 commission shall adopt rules establishing:

9 (a) The qualifications for performing work described in ORS 475B.215;

10 (b) The term of a permit issued under this section;

11 (c) Procedures for applying for and renewing a permit issued under this  
12 section; and

13 (d) Reasonable application, issuance and renewal fees for a permit issued  
14 under this section.

15 (2)(a) The commission may require an individual applying for a permit  
16 under this section to successfully complete a course, made available by or  
17 through the commission, through which the individual receives training on:

18 (A) Checking identification;

19 (B) Detecting intoxication;

20 (C) Handling marijuana items;

21 **(D) Best practices for producing and propagating marijuana;**

22 **(E) Best practices for processing marijuana;**

23 ~~[(D)]~~ **(F)** The content of ORS 475B.010 to 475B.395 and rules adopted un-  
24 der ORS 475B.010 to 475B.395; ~~[and]~~ **or**

25 ~~[(E)]~~ **(G)** Any matter deemed necessary by the commission to protect the  
26 public health and safety.

27 (b) The commission or other provider of ~~[the]~~ **a** course may charge a rea-  
28 sonable fee for the course.

29 (c) The commission may not require an individual to successfully com-  
30 plete ~~[the]~~ **a** course more than once, except that:

31 (A) As part of a final order suspending a permit issued under this section,

1 the commission may require a permit holder to successfully complete the  
2 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 commis-  
9 sion may suspend, revoke or refuse to issue or renew a permit if the indi-  
10 vidual 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 64.** 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 663  
30 apply to relations between employees of [*persons licensed under ORS*  
31 *475B.070, 475B.090, 475B.100 and 475B.110*] **licensees** and employers that are

1 [*licensed under ORS 475B.070, 475B.090, 475B.100 or 475B.110*] **licensees** in  
2 the same manner that those provisions apply to other employment relations.

3 **SECTION 65.** ORS 475B.233 is amended to read:

4 475B.233. (1) It is an unlawful employment practice for a [*person that*  
5 *holds a license under ORS 475B.070, 475B.090, 475B.100 or 475B.110*] **licensee**  
6 to discharge, demote, suspend or in any manner discriminate or retaliate  
7 against an employee of the [*person*] **licensee** with regard to promotion,  
8 compensation or other terms, conditions or privileges of employment on the  
9 basis that the employee has in good faith reported information to the Oregon  
10 Liquor Control Commission that the employee believes is evidence of a vio-  
11 lation of [*a provision of*] ORS 475B.010 to 475B.395 or a rule adopted under  
12 [*a provision of*] ORS 475B.010 to 475B.395.

13 (2) This section is subject to enforcement under ORS chapter 659A.

14 **SECTION 66.** ORS 475B.235, as amended by section 24, chapter 23,  
15 Oregon Laws 2016, and section 12, chapter 24, Oregon Laws 2016, is amended  
16 to read:

17 475B.235. (1) The Oregon Liquor Control Commission, in consultation  
18 with the Oregon Health Authority and the State Department of Agriculture,  
19 shall establish a program for the purpose of identifying and certifying pri-  
20 vate and public researchers of cannabis.

21 (2)(a) The authority shall assist the commission in identifying candidates  
22 for certification under this section with respect to potential medical re-  
23 search.

24 (b) The department shall assist the commission in identifying candidates  
25 for certification under this section with respect to potential agricultural re-  
26 search.

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

29 (a) Qualifications for certification under this section;

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

31 (c) Processes for applying for, receiving and renewing a certificate under

1 this section;

2 (d) Procedures for tracking marijuana, usable marijuana, cannabinoid  
3 products, cannabinoid concentrates and cannabinoid extracts received by and  
4 disposed or otherwise made use of by a person [*certified*] **that holds a cer-**  
5 **tificate issued** under this section; and

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

9 (4) In establishing qualifications under subsection (3) of this section, the  
10 commission shall consider the following:

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

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

15 (c) Legal barriers to conducting the proposed research or legal risks as-  
16 sociated with conducting the proposed research.

17 (5) In adopting procedures under subsection (3)(d) and (e) of this section  
18 with respect to making use of marijuana, usable marijuana, cannabinoid  
19 products, cannabinoid concentrates and cannabinoid extracts, the commission  
20 shall also adopt procedures by which a person [*certified*] **that holds a cer-**  
21 **tificate issued** under this section may transfer limited amounts of  
22 marijuana, usable marijuana, cannabinoid products, cannabinoid concen-  
23 trates and cannabinoid extracts to another person [*certified*] **that holds a**  
24 **certificate issued** under this section or to a premises for which a license  
25 has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110.

26 (6) In adopting procedures under subsection (3)(d) and (e) of this section  
27 with respect to making use of marijuana, usable marijuana, cannabinoid  
28 products, cannabinoid concentrates and cannabinoid extracts, the commission  
29 shall also adopt procedures by which a person certified under this section  
30 may give, devise or bequest usable marijuana, immature marijuana plants,  
31 **marijuana** seeds, cannabinoid products, cannabinoid concentrates and

1 cannabinoid extracts to a medical marijuana dispensary registered with the  
2 authority under ORS 475B.450 and owned by a nonprofit corporation organ-  
3 ized under ORS chapter 65 for purposes described in section 22, chapter 23,  
4 Oregon Laws 2016.

5 (7) A person [*certified*] **that holds a certificate issued** under this sec-  
6 tion:

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

10 (b) May not sell or otherwise transfer marijuana, usable marijuana,  
11 cannabinoid products, cannabinoid concentrates or cannabinoid extracts to  
12 any other person, except as provided in this section and rules adopted by the  
13 commission under this section.

14 (8) Except as otherwise provided by the commission by rule, rules adopted  
15 by the commission for the purpose of administering and enforcing ORS  
16 475B.010 to 475B.395 with respect to licensees and licensee representatives  
17 apply to persons [*certified*] **that hold a certificate issued** under this section  
18 and persons employed by or who otherwise perform work for persons [*certi-*  
19 *fied*] **that hold a certificate issued** under this section.

20 (9) A person [*who is certified*] **that holds a certificate issued** under this  
21 section, and an employee of or other person who performs work for a person  
22 [*certified*] **that holds a certificate issued** under this section, is exempt from  
23 the criminal laws of this state for possession, delivery or manufacture of  
24 marijuana, aiding and abetting another in the possession, delivery and man-  
25 ufacture of marijuana, or any other criminal offense in which possession,  
26 delivery or manufacture of marijuana is an element, while performing activ-  
27 ities related to conducting research as described in this section.

28 **SECTION 67.** ORS 475B.255, as amended by section 38, chapter 24,  
29 Oregon Laws 2016, is amended to read:

30 475B.255. A person other than a [*person*] **marijuana processor** that holds  
31 a license **issued** under ORS 475B.090 may not process cannabinoid extracts

1 into a cannabinoid product.

2 **SECTION 68.** ORS 475B.260 is amended to read:

3 475B.260. (1)(a) A person under 21 years of age may not attempt to pur-  
4 chase, purchase or acquire a marijuana item.

5 (b) For purposes of this subsection, purchasing a marijuana item includes  
6 accepting a marijuana item, and acquiring a marijuana item includes con-  
7 suming a marijuana item, provided that the consumption of the marijuana  
8 item occurred no more than 24 hours before the determination that the per-  
9 son consumed the marijuana item.

10 (2) Except as authorized by the Oregon Liquor Control Commission by  
11 rule, or as necessary in an emergency, a person under 21 years of age may  
12 not enter or attempt to enter any portion of a [*licensed*] premises that is  
13 posted or otherwise identified as being prohibited to the use of persons under  
14 21 years of age.

15 (3) A person who violates subsection (1) or (2) of this section commits a  
16 Class B violation.

17 (4) In addition to and not in lieu of any other penalty established by law,  
18 a court may require a person under 21 years of age who violates subsection  
19 (1) of this section through misrepresentation of age to perform community  
20 service, and the court may order that the person's driving privileges and  
21 right to apply for driving privileges be suspended for a period not to exceed  
22 one year. If a court has issued an order suspending driving privileges under  
23 this section, the court, upon petition of the person, may withdraw the order  
24 at any time the court deems appropriate. The court notification to the De-  
25 partment of Transportation under this subsection may include a recommen-  
26 dation that the person be granted a hardship permit under ORS 807.240 if the  
27 person is otherwise eligible for the permit.

28 (5) If a person cited under this section is at least 13 years of age but less  
29 than 21 years of age at the time the person is found in default under ORS  
30 153.102 or 419C.472 for failure to appear, in addition to and not in lieu of  
31 any other penalty, the court shall issue notice under ORS 809.220 to the de-

1 partment for the department to suspend the person's driving privileges under  
2 ORS 809.280 (4).

3 (6) In addition to and not in lieu of any penalty established by law, the  
4 court may order a person to undergo assessment and treatment if the person  
5 has previously been found to have violated this section.

6 (7) The prohibitions of this section do not apply to a person under 21  
7 years of age who is acting under the direction of the commission or under  
8 the direction of state or local law enforcement agencies for the purpose of  
9 investigating possible violations of laws prohibiting sales of marijuana items  
10 to persons who are under 21 years of age.

11 (8) The prohibitions of this section do not apply to a person under 21  
12 years of age who is acting under the direction of a licensee for the purpose  
13 of investigating possible violations by employees of the licensee of laws  
14 prohibiting sales of marijuana items to persons who are under 21 years of  
15 age.

16 (9)(a) A person under 21 years of age is not in violation of, and is immune  
17 from prosecution under, this section if:

18 (A) The person contacted emergency medical services or a law enforce-  
19 ment agency in order to obtain medical assistance for another person who  
20 was in need of medical assistance because that person consumed a marijuana  
21 item and the evidence of the violation of this section was obtained as a re-  
22 sult of the person's having contacted emergency medical services or a law  
23 enforcement agency; or

24 (B) The person was in need of medical assistance because the person  
25 consumed a marijuana item and the evidence of the violation of this section  
26 was obtained as a result of the person's having sought or obtained the med-  
27 ical assistance.

28 (b) Paragraph (a) of this subsection does not exclude the use of evidence  
29 obtained as a result of a person's having sought medical assistance in pro-  
30 ceedings for crimes or offenses other than a violation of this section.

31 **SECTION 69.** ORS 475B.290 is amended to read:

1 475B.290. For purposes of ORS 475B.010 to 475B.395, the provisions of ORS  
2 183.440 apply to subpoenas issued by the Oregon Liquor Control Commission  
3 and *[any]* **to subpoenas issued by an** authorized agent of the commission.

4 **SECTION 70.** ORS 475B.295 is amended to read:

5 475B.295. In addition to any other liability or penalty provided by law, the  
6 Oregon Liquor Control Commission may impose for each violation of a pro-  
7 vision of ORS 475B.010 to 475B.395 or a rule adopted under *[a provision of]*  
8 ORS 475B.010 to 475B.395 a civil penalty that does not exceed \$5,000 for each  
9 violation. The commission shall impose civil penalties under this section in  
10 the manner provided by ORS 183.745. Moneys collected under this section  
11 shall be deposited in the Marijuana Control and Regulation Fund established  
12 under ORS 475B.240.

13 **SECTION 71.** ORS 475B.298 is amended to read:

14 475B.298. If *[it is proved that]* the owner of a building or premises know-  
15 ingly has used the building or premises **for**, or allowed the building or  
16 premises to be occupied for, the *[manufacture, sale or possession]* **pro-**  
17 **duction, processing, sale or use** of marijuana items contrary to the pro-  
18 visions of ORS 475B.010 to 475B.395, **475B.400 to 475B.525, 475B.550 to**  
19 **475B.590 or 475B.600 to 475B.655, or contrary to the provisions of any**  
20 **other state law or local ordinance regulating the production, process-**  
21 **ing, sale or use of marijuana items**, the building or premises *[are]* **is**  
22 subject to a lien for, and may be sold to pay all fines and costs assessed  
23 against *[their occupants for,]* **the occupants of the building or premises**  
24 **for**, any violation of ORS 475B.010 to 475B.395, **475B.400 to 475B.525,**  
25 **475B.550 to 475B.590 or 475B.600 to 475B.655, or any other state law or**  
26 **local ordinance regulating the production, processing, sale or use of**  
27 **marijuana items.** The lien must be enforced immediately by civil action in  
28 *[any]* **a court that has jurisdiction over the area in which the building**  
29 **or premises is located**, by the district attorney of the county in which the  
30 building or premises *[are]* **is** located.

31 **SECTION 72.** ORS 475B.300 is amended to read:



1 475B.300. The [*state police, sheriffs and police*] **law enforcement** officers  
2 of this state may enforce ORS 475B.010 to 475B.395 and assist the Oregon  
3 Liquor Control Commission in detecting violations of ORS 475B.010 to  
4 475B.395 and apprehending offenders. [*An enforcing*] **A law enforcement**  
5 officer who has notice, knowledge or reasonable ground of suspicion of a  
6 violation of ORS 475B.010 to 475B.395 shall immediately notify the district  
7 attorney **who has jurisdiction over the violation** and furnish the district  
8 attorney **who has jurisdiction over the violation** with names and ad-  
9 dresses of any witnesses[,] **to the violation** or other information [*within the*  
10 *officer's knowledge, of*] **related to** the violation.

11 **SECTION 73.** ORS 475B.305 is amended to read:

12 475B.305. (1) When [*an*] **a law enforcement** officer arrests a person for  
13 [*violation of*] **violating** ORS 475B.010 to 475B.395, the **law enforcement** of-  
14 ficer may take into possession all marijuana items and other property that  
15 the **arrested** person [*so arrested*] has in possession, or that is on the prem-  
16 ises, that [*is*] apparently **is** being used in violation of ORS 475B.010 to  
17 475B.395.

18 (2) If a person arrested as described in this section is convicted, and the  
19 court finds that the marijuana items and other property have been used in  
20 violation of [*the laws of this state*] **ORS 475B.010 to 475B.395:**

21 (a) The marijuana items must be forfeited to an appropriate state or local  
22 law enforcement agency and must be delivered by the court or **law**  
23 **enforcement** officer, at the direction of the court, to the law enforcement  
24 agency; and

25 (b) Subject to **any** other applicable law, the other property must be for-  
26 feited to the Oregon Liquor Control Commission, and must be delivered by  
27 the court or **law enforcement** officer, **at the direction of the court**, to the  
28 commission.

29 (3) The commission is authorized to destroy or [*make such other disposi-*  
30 *tion*] **otherwise dispose** of any property [*it*] **the commission** receives under  
31 subsection (2)(b) of this section [*as it considers to be in the public interest.*

1 *In any such case, all such*], **provided that if the commission elects to sell**  
2 **the** property, including furniture, furnishings, **and** equipment and facilities  
3 for the storing, serving or using of marijuana items [*must be confiscated and*  
4 *forfeited to the state, and*], the clear proceeds **of the sale** must be [*deposited*  
5 *with*] **credited to** the State Treasury **and deposited** in the Common School  
6 Fund.

7 **SECTION 74.** ORS 475B.310 is amended to read:

8 475B.310. The county courts, district attorneys and municipal authorities,  
9 immediately upon the conviction of [*any*] **a licensee** [*of the Oregon Liquor*  
10 *Control Commission*] of a violation of [*any provision of*] ORS 475B.010 to  
11 475B.395, or [*the*] **of a** violation of any other law of this state or ordinance  
12 of [*any municipality*] **a city or county located** in this state[, *in which vio-*  
13 *lation marijuana had any part,*] **an element of which is the possession,**  
14 **delivery or manufacture of a marijuana item,** shall notify the **Oregon**  
15 **Liquor Control** Commission of the conviction. [*The county courts, district*  
16 *attorneys and municipal authorities shall notify the commission of any acts,*  
17 *practices or other conduct of a licensee convicted as described in this section*  
18 *that may be subversive of the general welfare or contrary to the spirit of ORS*  
19 *475B.010 to 475B.395 and shall recommend such action on the part of the*  
20 *commission as will remove the evil.*]

21 **SECTION 75.** ORS 475B.325 is amended to read:

22 475B.325. (1) The governing body of a city or a county, when a petition  
23 is filed as provided in this section, shall order an election on the question  
24 **as to** whether the operation of [*licensed*] premises **for which a license has**  
25 **been issued under ORS 475B.010 to 475B.395** should be prohibited in the  
26 city or county.

27 (2) Except as otherwise provided in this section, the requirements for  
28 preparing, circulating and filing a petition under this section:

29 (a) In the case of a city, must be as provided for an initiative petition  
30 under ORS 250.265 to 250.346.

31 (b) In the case of a county, must be as provided for an initiative petition

1 under ORS 250.165 to 250.235.

2 (3) A petition under this section:

3 (a) Must be filed not less than 60 days before the day of the election; and

4 (b) Must be signed by not less than 10 percent of the electors registered  
5 in the city or county.

6 (4) If ORS 250.155 makes ORS 250.165 to 250.235 inapplicable to a county  
7 or if ORS 250.255 makes ORS 250.265 to 250.346 inapplicable to a city, the  
8 requirements for preparing, circulating and filing a petition under this sec-  
9 tion must be as provided for an initiative petition under the county or city  
10 charter or an ordinance adopted under the county or city charter.

11 (5) A signature is not valid unless signed within 180 days before the pe-  
12 tition is filed.

13 (6) An election under this section must be held at the time of the next  
14 statewide general election.

15 (7) An election under this section must be conducted under ORS chapters  
16 246 to 260.

17 **SECTION 76.** ORS 475B.340, as amended by section 4, chapter 23, Oregon  
18 Laws 2016, and section 66, chapter 24, Oregon Laws 2016, is amended to read:

19 475B.340. (1) For purposes of this section, “reasonable regulations” in-  
20 cludes:

21 (a) Reasonable conditions on the manner in which a marijuana producer  
22 [*licensed*] **that holds a license issued** under ORS 475B.070 may produce  
23 marijuana or in which a [*person who*] **researcher of cannabis that** holds  
24 a certificate issued under ORS 475B.235 may produce marijuana or propagate  
25 immature marijuana plants;

26 (b) Reasonable conditions on the manner in which a marijuana processor  
27 [*licensed*] **that holds a license issued** under ORS 475B.090 may process  
28 marijuana or in which a [*person who*] **researcher of cannabis that** holds  
29 a certificate issued under ORS 475B.235 may process marijuana;

30 (c) Reasonable conditions on the manner in which a marijuana wholesaler  
31 [*licensed*] **that holds a license issued** under ORS 475B.100 may sell

1 marijuana at wholesale;

2 (d) Reasonable conditions on the manner in which a marijuana retailer  
3 [*licensed*] **that holds a license issued** under ORS 475B.110 may sell  
4 marijuana items;

5 (e) Reasonable limitations on the hours during which a premises for  
6 which a license has been issued under ORS [*475B.070, 475B.090, 475B.100 or*  
7 *475B.110*] **475B.010 to 475B.395** may operate;

8 (f) Reasonable requirements related to the public's access to a premises  
9 for which a license or certificate has been issued under ORS [*475B.070,*  
10 *475B.090, 475B.100, 475B.110 or 475B.235*] **475B.010 to 475B.395**; and

11 (g) Reasonable limitations on where a premises for which a license or  
12 certificate may be issued under ORS [*475B.070, 475B.090, 475B.100, 475B.110*  
13 *or 475B.235*] **475B.010 to 475B.395** may be located.

14 (2) Notwithstanding ORS 30.935, 215.253 (1) or 633.738, the governing body  
15 of a city or county may adopt ordinances that impose reasonable regulations  
16 on the operation of businesses located at premises for which a license **or**  
17 **certificate** has been issued under ORS [*475B.070, 475B.090, 475B.100 or*  
18 *475B.110, or for which a certificate has been issued under ORS 475B.235,*]  
19 **475B.010 to 475B.395** if the premises are located in the area subject to the  
20 jurisdiction of the city or county, except that the governing body of a city  
21 or county may not:

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

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

30 (A) Was constructed on or before July 1, 2015, in compliance with all  
31 applicable land use and building code requirements at the time of con-

1 instruction;

2 (B) Is located at an address where a marijuana grow site first registered  
3 with the Oregon Health Authority under ORS 475B.420 on or before January  
4 1, 2015;

5 (C) Was used to produce marijuana pursuant to the provisions of ORS  
6 475B.400 to 475B.525 on or before January 1, 2015; and

7 (D) Has four opaque walls and a roof.

8 **SECTION 77.** ORS 475B.345, as amended by section 3, chapter 91, Oregon  
9 Laws 2016, is amended to read:

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

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

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

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

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

31 *[(5)] (4)* An ordinance adopted under this section may not impose a tax

1 or fee:

2 (a) In excess of three percent; or

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

6 **SECTION 78.** ORS 475B.355 is amended to read:

7 475B.355. (1) The Oregon Liquor Control Commission, the State Depart-  
8 ment of Agriculture and the Oregon Health Authority may not refuse to  
9 perform any duty under ORS 475B.010 to 475B.395 on the basis that manu-  
10 facturing, distributing, dispensing, possessing or using marijuana is prohib-  
11 ited by federal law.

12 (2) The commission may not revoke or refuse to issue or renew a  
13 license, **certificate or permit** under ORS 475B.010 to 475B.395 on the basis  
14 that manufacturing, distributing, dispensing, possessing or using marijuana  
15 is prohibited by federal law.

16 **SECTION 79.** ORS 475B.358 is amended to read:

17 475B.358. A person may not sue the Oregon Liquor Control Commission  
18 or a member of the commission, the State Department of Agriculture or the  
19 Oregon Health Authority, or any employee of the commission, department  
20 or authority, for performing or omitting to perform any duty, function or  
21 power of the commission, department or authority set forth in ORS 475B.010  
22 to 475B.395 or in any other law of this state requiring the commission, de-  
23 partment or authority to perform a duty, function or power related to  
24 marijuana **items**.

25 **SECTION 80.** ORS 475B.365 is amended to read:

26 475B.365. In case of invasion, disaster, insurrection or riot, or imminent  
27 danger of invasion, disaster, insurrection or riot, the Governor may, for the  
28 duration of the invasion, disaster, insurrection or riot, or imminent danger,  
29 immediately **and without notice** suspend, [*without notice any license*] in the  
30 area involved, [*granted*] **any license, certificate or permit issued** under  
31 ORS 475B.010 to 475B.395.

1        **SECTION 81.** ORS 475B.370, as amended by section 3, chapter 23, Oregon  
2 Laws 2016, is amended to read:

3        475B.370. (1) Marijuana is:

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

5        (b) A crop for purposes of a “farm” and “farming practice,” both as de-  
6 fined in ORS 30.930;

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

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

9        (2) Notwithstanding ORS chapters 195, 196, 197, 215 and 227, the following  
10 are not permitted uses on land designated for exclusive farm use:

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

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

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

16        (3) A county may allow the production of marijuana as a farm use on land  
17 zoned for farm or forest use in the same manner as the production of  
18 marijuana is allowed in exclusive farm use zones under this section and ORS  
19 215.213, 215.283 and 475B.063.

20        (4) This section applies to:

21        (a) Marijuana producers [*licensed*] **that hold a license issued** under ORS  
22 475B.070;

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

26        (c) For the purpose of producing marijuana or propagating immature  
27 marijuana plants, [*persons who hold certificates*] **researchers of cannabis**  
28 **that hold a certificate issued** under ORS 475B.235.

29        **SECTION 82.** ORS 475B.399 is amended to read:

30        475B.399. (1) As used in this section, “marijuana” and “marijuana item”  
31 have the meanings given those terms in ORS 475B.015.

1 (2) On or before February 1 of each odd-numbered year, the Oregon Liquor  
 2 Control Commission shall report to the Legislative Assembly in the manner  
 3 required by ORS 192.245, the approximate amount of marijuana produced by  
 4 *[persons who hold a license]* **marijuana producers that hold a license is-**  
 5 **sued** under ORS 475B.070 and the approximate amount of marijuana items  
 6 sold by *[persons who hold a license]* **marijuana retailers that hold a li-**  
 7 **cence issued** under ORS 475B.110, and whether the supply of marijuana in  
 8 this state is commensurate with the demand for marijuana items in this  
 9 state.

10 **SECTION 82a.** ORS 475B.430 is amended to read:

11 475B.430. (1) Except as provided in subsection (2) of this section, a regis-  
 12 try identification cardholder and the designated primary caregiver of the  
 13 registry identification cardholder may jointly possess no more than 24 ounces  
 14 of usable marijuana.

15 (2) Subject to subsection (3) of this section, a person designated to  
 16 produce marijuana by a registry identification cardholder may possess the  
 17 amount of usable marijuana that the person harvests from the person's ma-  
 18 ture marijuana plants, provided that the person may not possess usable  
 19 marijuana in excess of the amount of usable marijuana in the person's pos-  
 20 session as reported to the Oregon Health Authority under ORS 475B.423.

21 (3) A person designated to produce marijuana by a registry identification  
 22 cardholder may not possess usable marijuana in excess of:

23 (a) For a marijuana *[growsite]* **grow site** located outdoors, 12 pounds of  
 24 usable marijuana per mature marijuana plant; or

25 (b) For a marijuana *[growsite]* **grow site** located indoors, six pounds of  
 26 usable marijuana per mature marijuana plant.

27 **SECTION 83.** Section 22, chapter 24, Oregon Laws 2016, is amended to  
 28 read:

29 **Sec. 22.** (1) Subject to subsection (2) of this section, information is exempt  
 30 from public disclosure under ORS 192.410 to 192.505 if the information is:

31 (a) The address of a premises for which a license has been issued or for



1 which an applicant has proposed [*to be licensed*] **licensure** under ORS  
2 475B.070, 475B.090 or 485B.100;

3 (b) Is related to the security plan or the operational plan for a premises  
4 for which a license has been issued or for which an applicant has proposed  
5 [*to be licensed*] **licensure** under ORS [*475B.070, 475B.090, 485B.100 or*  
6 *475B.110*] **475B.010 to 475B.395**; or

7 (c) Is related to any record that the Oregon Liquor Control Commission  
8 determines contains proprietary information of a [*person who holds a license*  
9 *under ORS 475B.070, 475B.090, 485B.100 or 475B.110*] **licensee**.

10 (2) The exemption from public disclosure as provided by this section does  
11 not apply to a request for information if the request is made by a law  
12 enforcement agency.

13 **SECTION 84.** Section 29b, chapter 83, Oregon Laws 2016, is amended to  
14 read:

15 **Sec. 29b.** (1) Notwithstanding ORS 475B.110 (2)(d), a city or county may  
16 [*adopt an ordinance allowing*] **allow** a premises for which a license has been  
17 issued under ORS 475B.110 to be located within [*500*] **1,000** feet of a public  
18 elementary or secondary school for which attendance is compulsory under  
19 ORS 339.020, or a private or parochial elementary or secondary school  
20 teaching children as described in ORS 339.030 (1)(a), if:

21 **(a) The premises is not located within 500 feet of the school; and**

22 **(b) The county or city determines that a physical or geographic barrier**  
23 **capable of preventing children from traversing to the [*school*] **premises** sep-**  
24 **arates the premises from the school.**

25 (2) A city or county that [*adopts an ordinance*] **makes an allowance**  
26 **under this section must inform the Oregon Liquor Control Commission, in**  
27 **a form and manner prescribed by the commission, of the [*content and effective***  
28 ***date of the ordinance*] **allowance.****

29 **SECTION 85.** ORS 279A.025 is amended to read:

30 279A.025. (1) Except as provided in subsections (2) to (4) of this section,  
31 the Public Contracting Code applies to all public contracting.

- 1 (2) The Public Contracting Code does not apply to:
- 2 (a) Contracts between a contracting agency and:
- 3 (A) Another contracting agency;
- 4 (B) The Oregon Health and Science University;
- 5 (C) A public university listed in ORS 352.002;
- 6 (D) The Oregon State Bar;
- 7 (E) A governmental body of another state;
- 8 (F) The federal government;
- 9 (G) An American Indian tribe or an agency of an American Indian tribe;
- 10 (H) A nation, or a governmental body in a nation, other than the United
- 11 States; or
- 12 (I) An intergovernmental entity formed between or among:
- 13 (i) Governmental bodies of this or another state;
- 14 (ii) The federal government;
- 15 (iii) An American Indian tribe or an agency of an American Indian tribe;
- 16 (iv) A nation other than the United States; or
- 17 (v) A governmental body in a nation other than the United States;
- 18 (b) Agreements authorized by ORS chapter 190 or by a statute, charter
- 19 provision, ordinance or other authority for establishing agreements between
- 20 or among governmental bodies or agencies or tribal governing bodies or
- 21 agencies;
- 22 (c) Insurance and service contracts as provided for under ORS 414.115,
- 23 414.125, 414.135 and 414.145 for purposes of source selection;
- 24 (d) Grants;
- 25 (e) Contracts for professional or expert witnesses or consultants to pro-
- 26 vide services or testimony relating to existing or potential litigation or legal
- 27 matters in which a public body is or may become interested;
- 28 (f) Acquisitions or disposals of real property or interest in real property;
- 29 (g) Sole-source expenditures when rates are set by law or ordinance for
- 30 purposes of source selection;
- 31 (h) Contracts for the procurement or distribution of textbooks;

1 (i) Procurements by a contracting agency from an Oregon Corrections  
2 Enterprises program;

3 (j) The procurement, transportation, **sale** or distribution of distilled li-  
4 quor, as defined in ORS 471.001, or the appointment of agents under ORS  
5 **471.230 or** 471.750 by the Oregon Liquor Control Commission;

6 (k) Contracts entered into under ORS chapter 180 between the Attorney  
7 General and private counsel or special legal assistants;

8 (L) Contracts for the sale of timber from lands owned or managed by the  
9 State Board of Forestry and the State Forestry Department;

10 (m) Contracts for activities necessary or convenient for the sale of timber  
11 under paragraph (L) of this subsection, either separately from or in con-  
12 junction with contracts for the sale of timber, including but not limited to  
13 activities such as timber harvesting and sorting, transporting, gravel pit de-  
14 velopment or operation, and road construction, maintenance or improvement;

15 (n) Contracts for forest protection or forest related activities, as described  
16 in ORS 477.406, by the State Forester or the State Board of Forestry;

17 (o) Contracts entered into by the Housing and Community Services De-  
18 partment in exercising the department's duties prescribed in ORS chapters  
19 456 and 458, except that the department's public contracting for goods and  
20 services is subject to ORS chapter 279B;

21 (p) Contracts entered into by the State Treasurer in exercising the powers  
22 of that office prescribed in ORS 178.010 to 178.100 and ORS chapters 286A,  
23 287A, 289, 293, 294 and 295, including but not limited to investment contracts  
24 and agreements, banking services, clearing house services and  
25 collateralization agreements, bond documents, certificates of participation  
26 and other debt repayment agreements, and any associated contracts, agree-  
27 ments and documents, regardless of whether the obligations that the con-  
28 tracts, agreements or documents establish are general, special or limited,  
29 except that the State Treasurer's public contracting for goods and services  
30 is subject to ORS chapter 279B;

31 (q) Contracts, agreements or other documents entered into, issued or es-

1 tablished in connection with:

2 (A) The issuance of obligations, as defined in ORS 286A.100 and 287A.310,  
3 of a public body;

4 (B) The making of program loans and similar extensions or advances of  
5 funds, aid or assistance by a public body to a public or private body for the  
6 purpose of carrying out, promoting or sustaining activities or programs au-  
7 thorized by law; or

8 (C) The investment of funds by a public body as authorized by law, and  
9 other financial transactions of a public body that by their character cannot  
10 practically be established under the competitive contractor selection proce-  
11 dures of ORS 279B.050 to 279B.085;

12 (r) Contracts for employee benefit plans as provided in ORS 243.105 (1),  
13 243.125 (4), 243.221, 243.275, 243.291, 243.303 and 243.565;

14 (s) Contracts for employee benefit plans as provided in ORS 243.860 to  
15 243.886; or

16 (t) Any other public contracting of a public body specifically exempted  
17 from the code by another provision of law.

18 (3) The Public Contracting Code does not apply to the contracting activ-  
19 ities of:

20 (a) The Oregon State Lottery Commission;

21 (b) The legislative department;

22 (c) The judicial department;

23 (d) Semi-independent state agencies listed in ORS 182.454, except as pro-  
24 vided in ORS 279.835 to 279.855 and 279A.250 to 279A.290;

25 (e) Oregon Corrections Enterprises;

26 (f) The Oregon Film and Video Office, except as provided in ORS 279A.100  
27 and 279A.250 to 279A.290;

28 (g) The Travel Information Council, except as provided in ORS 279A.250  
29 to 279A.290;

30 (h) The Oregon 529 Savings Network and the Oregon 529 Savings Board;

31 (i) The Oregon Innovation Council;

1 (j) The Oregon Utility Notification Center; or

2 (k) Any other public body specifically exempted from the code by another  
3 provision of law.

4 (4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to  
5 contracts made with qualified nonprofit agencies providing employment op-  
6 portunities for individuals with disabilities under ORS 279.835 to 279.855.

7  
8 **MISCELLANEOUS**

9  
10 **SECTION 86. The Oregon Liquor Control Commission shall adopt**  
11 **rules necessary to implement the amendments to sections 2 and 3,**  
12 **chapter 83, Oregon Laws 2016, by sections 18 and 19 of this 2017 Act**  
13 **on or before January 1, 2018.**

14 **SECTION 87. The amendments to section 2, chapter 83, Oregon**  
15 **Laws 2016, by section 18 of this 2017 Act do not affect 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, before the effective date of this**  
19 **2017 Act.**

20 **SECTION 88. (1) Sections 23 to 26 and 30 of this 2017 Act and the**  
21 **amendments to ORS 475B.605 and 475B.655 by sections 32 and 33 of this**  
22 **2017 Act become operative on January 1, 2018.**

23 **(2) The Oregon Liquor Control Commission and the Oregon Health**  
24 **Authority may take any action before the operative date specified in**  
25 **subsection (1) of this section that is necessary to enable the commis-**  
26 **sion and authority to exercise, on and after the operative date speci-**  
27 **fied in subsection (1) of this section, all the duties, powers and**  
28 **functions conferred on the commission and authority by sections 23**  
29 **to 26 and 30 of this 2017 Act and the amendments to ORS 475B.605 and**  
30 **475B.655 by sections 32 and 33 of this 2017 Act.**

31 **SECTION 89. The unit captions used in this 2017 Act are provided**

1 **only for the convenience of the reader and do not become part of the**  
2 **statutory law of this state or express any legislative intent in the**  
3 **enactment of this 2017 Act.**

4 **SECTION 90. This 2017 Act takes effect on the 91st day after the**  
5 **date on which the 2017 regular session of the Seventy-ninth Legislative**  
6 **Assembly adjourns sine die.**

7 \_\_\_\_\_