

(Including Amendments to Resolve Conflicts)

B-Engrossed House Bill 2198

Ordered by the House July 1
Including House Amendments dated June 2 and July 1

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Joint Interim Committee on Marijuana Legalization)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Establishes Oregon Cannabis Commission for certain purposes, including determining possible framework for future governance of Oregon Medical Marijuana Program. Requires report to interim committees of health and judiciary on possible framework on or before December 15, 2017.

Provides that certain marijuana grow sites may transfer up to 20 pounds of usable marijuana to marijuana processor or marijuana wholesaler licensed by Oregon Liquor Control Commission.

Modifies provisions setting forth restrictions on number of mature marijuana plants and immature marijuana plants that medical marijuana grow sites may possess.

Specifies that marijuana retailers and dispensaries may be located within 1,000 feet of school only if Oregon Liquor Control Commission determines that there is physical or geographic barrier capable of preventing children from traversing to premises of marijuana retailer or dispensary.

Abolishes Advisory Committee on Medical Marijuana.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to cannabis; creating new provisions; amending ORS 471.775, 475B.045, 475B.110, 475B.210,
3 475B.428 and 475B.450; repealing ORS 475B.520 and sections 29 and 29b, chapter 83, Oregon
4 Laws 2016, section 36, chapter ___, Oregon Laws 2017 (Enrolled Senate Bill 1057), and sections
5 11 and 11a, chapter ___, Oregon Laws 2017 (Enrolled Senate Bill 56); and declaring an emer-
6 gency.

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

OREGON CANNABIS COMMISSION

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9
10
11 **SECTION 1.** (1) **The Oregon Cannabis Commission is established within the Oregon**
12 **Health Authority. The commission consists of:**

13 (a) **The Public Health Officer or the Public Health Officer's designee; and**

14 (b) **Eight members appointed by the Governor as follows:**

15 (A) **A registry identification cardholder, as defined in ORS 475B.410;**

16 (B) **A person designated to produce marijuana by a registry identification cardholder, as**
17 **defined in ORS 475B.410;**

18 (C) **An attending physician, as defined in ORS 475B.410;**

19 (D) **A person representing the Oregon Health Authority;**

20 (E) **A person representing the Oregon Liquor Control Commission;**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (F) A local health officer, as described in ORS 431.418;

2 (G) A law enforcement officer; and

3 (H) A person knowledgeable about research proposal grant protocols.

4 (2) The term of office of each member of the commission is four years, but a member
5 serves at the pleasure of the Governor. Before the expiration of the term of a member, the
6 Governor shall appoint a successor whose term begins on January 1 of the following year.
7 A member is eligible for reappointment. If there is a vacancy for any cause, the Governor
8 shall make an appointment to become immediately effective for the unexpired term.

9 (3) The appointment of each member of the commission is subject to confirmation by the
10 Senate in the manner prescribed in ORS 171.562 and 171.565.

11 (4) Members of the commission are not entitled to compensation, but may be reimbursed
12 for actual and necessary travel and other expenses incurred by them in the performance of
13 their official duties in the manner and amounts provided for in ORS 292.495.

14 **SECTION 2.** (1) The Oregon Cannabis Commission shall select one of its members as
15 chairperson and another as vice chairperson, for terms and with duties and powers necessary
16 for the performance of the functions of the offices as the commission determines.

17 (2) A majority of the members of the commission constitutes a quorum for the trans-
18 action of business.

19 (3) The commission shall meet at least once every quarter at a time and place determined
20 by the commission. The commission also may meet at other times and places specified by the
21 call of the chairperson or of a majority of the members of the commission.

22 **SECTION 3.** The Oregon Health Authority shall provide staff support to the Oregon
23 Cannabis Commission and shall perform other services as necessary for the effective opera-
24 tion of the commission.

25 **SECTION 4.** (1) As soon as practicable after the effective date of this 2017 Act, the
26 Oregon Cannabis Commission shall determine:

27 (a) A possible framework for the future governance of the Oregon Medical Marijuana
28 Program, including:

29 (A) Proper oversight and regulation of each of the following:

30 (i) Registry identification cardholders and designated primary caregivers, as those terms
31 are defined in ORS 475B.410;

32 (ii) Attending physicians, as defined in ORS 475B.410;

33 (iii) Marijuana grow sites, as defined in ORS 475B.410;

34 (iv) Marijuana processing sites, as defined in ORS 475B.410; and

35 (v) Medical marijuana dispensaries, as defined in ORS 475B.410;

36 (B) Necessary amendments to the laws of the state pertaining to cannabis, including any
37 necessary amendments to ORS 475B.010 to 475B.395 and 475B.400 to 475B.525; and

38 (C) The future role of the commission with respect to the possible framework.

39 (b) Steps that the state must take, whether administrative or legislative in nature, to
40 ensure that research on cannabis and cannabis-derived products is being conducted for public
41 purposes, including the advancement of:

42 (A) Public health policy and public safety policy;

43 (B) Agronomic and horticultural best practices; and

44 (C) Medical and pharmacopoeia best practices.

45 (2) In determining the possible framework for the future governance of the Oregon

1 **Medical Marijuana Program under subsection (1)(a) of this section, the commission shall**
2 **consider:**

- 3 (a) **Potential factors that could prevent access to cannabis for medical use;**
- 4 (b) **Potential laws and rules that will facilitate access to cannabis for medical use; and**
- 5 (c) **The impact of federal laws, regulations and policies on the possible framework.**

6 (3) **On or before December 15, 2017, the commission shall submit a report in the manner**
7 **prescribed by ORS 192.245 to the interim committees of the Legislative Assembly related to**
8 **health and judiciary on the findings and determinations made by the commission under sub-**
9 **section (1) of this section. As part of the report, the commission may make recommen-**
10 **dations for legislation.**

11 (4) **For purposes of making recommendations for legislation under subsection (3) of this**
12 **section, after the effective date of this 2017 Act and on or before December 15, 2017, the**
13 **commission may request an interim committee of the Legislative Assembly related to health**
14 **or judiciary to direct the Legislative Counsel to prepare legislative concepts for the**
15 **commission's consideration.**

16 **SECTION 5. Section 4 of this 2017 Act is repealed on July 1, 2018.**

17 **SECTION 6. In addition to any other duty prescribed by law, the Oregon Cannabis Com-**
18 **mission shall:**

19 (1) **Provide advice to the Oregon Health Authority with respect to the administration of**
20 **ORS 475B.400 to 475B.525;**

21 (2) **Provide advice to the Oregon Liquor Control Commission with respect to the admin-**
22 **istration of ORS 475B.010 to 475B.395, insofar as those statutes pertain to registry identifi-**
23 **cation cardholders and designated primary caregivers, as those terms are defined in ORS**
24 **475B.410;**

25 (3) **Develop a long-term strategic plan for ensuring that cannabis will remain a**
26 **therapeutic option for persons with debilitating medical conditions as defined in ORS**
27 **475B.410;**

28 (4) **Develop a long-term strategic plan for ensuring that cannabis will remain affordable**
29 **for persons with debilitating medical conditions as defined in ORS 475B.410; and**

30 (5) **Monitor and study federal laws, regulations and policies regarding marijuana.**

31
32 **MARIJUANA GROW SITE TRANSFERS TO**
33 **OREGON LIQUOR CONTROL COMMISSION LICENSEES**
34

35 **SECTION 7. Section 8 of this 2017 Act is added to and made a part of ORS 475B.400 to**
36 **475B.525.**

37 **SECTION 8. (1) Subject to subsection (2) of this section, a marijuana grow site may**
38 **transfer up to 20 pounds of usable marijuana per year to a person that holds a license issued**
39 **under ORS 475B.090 or 475B.100, provided that:**

40 (a) **The transfer is tracked using the system developed and maintained under ORS**
41 **475B.150;**

42 (b) **More than 12 mature marijuana plants are produced at the marijuana grow site;**

43 (c) **The usable marijuana has been assigned to the person responsible for the marijuana**
44 **grow site pursuant to ORS 475B.425;**

45 (d) **The usable marijuana has been tested in accordance with the provisions of ORS**

1 475B.550 to 475B.590; and

2 (e) The marijuana grow site first registered with the Oregon Health Authority under ORS
3 475B.420 on or before the effective date of this 2017 Act.

4 (2) If the Oregon Liquor Control Commission determines that the supply of marijuana
5 items offered for sale by marijuana retailers that hold a license issued under ORS 475B.110
6 is exceeding consumer demand for the marijuana items, and if the commission determines
7 that the market for marijuana items in this state will not self-correct for the excess, the
8 commission may issue an order that temporarily reduces the amount of usable marijuana
9 that may be transferred pursuant to this section or that temporarily suspends the ability to
10 transfer usable marijuana pursuant to this section.

11 **SECTION 8a.** The Oregon Liquor Control Commission shall monitor the lawful transfer
12 of any usable marijuana, as defined in ORS 475B.015, to a person that holds a license issued
13 under ORS 475B.090 or 475B.100 by a marijuana grow site, as defined in ORS 475B.410, to
14 determine whether the laws of this state may allow for the lawful transfer of additional us-
15 able marijuana to a person that holds a license issued under ORS 475B.090 or 475B.100 by a
16 marijuana grow site. On or before September 15, 2018, the commission shall submit the
17 commission's findings and recommendations, in the manner prescribed by ORS 192.245, to
18 the interim committees of the Legislative Assembly related to judiciary.

19 **SECTION 8b.** Section 8a of this 2017 Act is repealed on January 2, 2019.

20
21 **DESIGNATED PRIMARY CAREGIVERS**

22
23 **SECTION 9.** Section 10 of this 2017 Act is added to and made a part of ORS 475B.400 to
24 475B.525.

25 **SECTION 10.** A designated primary caregiver may assist the designating registry iden-
26 tification cardholder with any matter related to the medical use of marijuana, including:

27 (1) The production of marijuana at the address provided by the registry identification
28 cardholder to the Oregon Health Authority pursuant to ORS 475B.415 (2)(f); and

29 (2) The processing of marijuana into cannabinoid concentrates or medical cannabinoid
30 products.

31
32 **PLANT LIMITS**

33
34 **SECTION 11.** If Senate Bill 1057 becomes law, ORS 475B.428, as amended by section 23, chapter
35 24, Oregon Laws 2016, and section 37, chapter ___, Oregon Laws 2017 (Enrolled Senate Bill 1057),
36 is amended to read:

37 475B.428. (1)(a) A registry identification cardholder and the designated primary caregiver of the
38 registry identification cardholder may jointly possess:

39 (A) Six or fewer mature marijuana plants; and

40 (B) Twelve or fewer immature marijuana plants.

41 [(b)] (b)(A) Unless an address is the marijuana grow site of a person designated to produce
42 marijuana by a registry identification cardholder, the address where a registry identification
43 cardholder or the primary caregiver of a registry identification cardholder produces marijuana may
44 be used to produce not more than:

45 [(A)] (i) Six or fewer mature marijuana plants **per registry identification cardholder, up to**

1 **12 mature marijuana plants;** and

2 [(B)] (ii) Twelve or fewer immature marijuana plants **per registry identification cardholder,**
3 **up to 24 immature marijuana plants.**

4 (B) Except as provided in subparagraph (C) of this paragraph, an address that is subject
5 to this paragraph may not be used to produce marijuana plants pursuant to ORS 475B.245.

6 (C) Subject to subparagraph (D) of this paragraph, an address that is subject to this
7 paragraph may be used to produce marijuana plants pursuant to ORS 475B.245 if a person
8 other than a registry identification cardholder who is using the address to produce marijuana
9 plants pursuant to ORS 475B.400 to 475B.525 resides at the address.

10 (D) An address that is subject to this paragraph may not be used to produce more than
11 **12 total mature marijuana plants.**

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

14 (b) A person who is designated to produce marijuana by a registry identification cardholder may
15 produce no more than six mature marijuana plants and no more than 12 immature marijuana plants
16 **that are 24 inches or more in height** for a registry identification cardholder who designates the
17 person to produce marijuana.

18 (3) If the address of a person responsible for a marijuana grow site under ORS 475B.420 is lo-
19 cated within city limits in an area zoned for residential use:

20 (a) Except as provided in paragraph (b) of this subsection, no more than 12 mature marijuana
21 plants and no more than 24 immature marijuana plants **that are 24 inches or more in height** may
22 be produced at the address; or

23 (b) Subject to subsection (5) of this section, if each person responsible for a marijuana grow site
24 located at the address first registered with the Oregon Health Authority under ORS 475B.420 before
25 January 1, 2015:

26 (A) No more than the amount of mature marijuana plants located at that address on December
27 31, 2014, in excess of 12 mature marijuana plants, not to exceed 24 mature marijuana plants, may
28 be produced at the address; and

29 (B) No more than 48 immature marijuana plants **that are 24 inches or more in height** may
30 be produced at the address.

31 (4) If the address of a person responsible for a marijuana grow site under ORS 475B.420 is lo-
32 cated in an area other than an area described in subsection (3) of this section:

33 (a) Except as provided in paragraph (b) of this subsection, no more than 48 mature marijuana
34 plants and no more than 96 immature marijuana plants **that are 24 inches or more in height** may
35 be produced at the address; or

36 (b) Subject to subsections (5) and (6) of this section, if each person responsible for a marijuana
37 grow site located at the address first registered with the authority under ORS 475B.420 before
38 January 1, 2015:

39 (A) No more than the amount of mature marijuana plants located at that address on December
40 31, 2014, in excess of 48 mature marijuana plants, not to exceed 96 mature marijuana plants, may
41 be produced at the address; and

42 (B) No more than 192 immature marijuana plants **that are 24 inches or more in height** may
43 be produced at the address.

44 (5) If the authority suspends or revokes the registration of a person responsible for a marijuana
45 grow site that is located at an address described in subsection (3)(b) or (4)(b) of this section:

1 (a) No more than 12 mature marijuana plants and no more than 24 immature marijuana plants
2 **that are 24 inches or more in height** may be subsequently produced at any address described in
3 subsection (3) of this section at which the person responsible for that marijuana grow site produces
4 marijuana.

5 (b) No more than 48 mature marijuana plants and no more than 96 immature marijuana plants
6 **that are 24 or more inches in height** may be subsequently produced at any address described in
7 subsection (4) of this section at which the person responsible for that marijuana grow site produces
8 marijuana.

9 (6) If a registry identification cardholder who designated a person to produce marijuana for the
10 registry identification cardholder pursuant to ORS 475B.420 terminates the designation, the person
11 responsible for the marijuana grow site whose designation has been terminated may not be desig-
12 nated to produce marijuana by another registry identification cardholder, except that the person
13 may be designated by another registry identification cardholder if no more than 48 mature
14 marijuana plants and no more than 96 immature marijuana plants **that are 24 or more inches in**
15 **height** are produced at the address for the marijuana grow site at which the person produces
16 marijuana.

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

22 (8) If a law enforcement officer determines that there is a number of marijuana plants at an
23 address in excess of the quantities specified in this section, or that an address is being used to
24 produce a number of marijuana plants in excess of the quantities specified in subsection (1)(b) of this
25 section, the law enforcement officer may confiscate only the excess number of marijuana plants.

26 **SECTION 12. If Senate Bill 1057 becomes law, section 36, chapter __, Oregon Laws 2017**
27 **(Enrolled Senate Bill 1057), is repealed.**

28
29 **TRACKING**

30
31 **SECTION 13. Section 14 of this 2017 Act is added to and made a part of ORS 475B.400 to**
32 **475B.525.**

33 **SECTION 14. Section 40, chapter __, Oregon Laws 2017 (Enrolled Senate Bill 1057), does**
34 **not authorize the Oregon Health Authority or the Oregon Liquor Control Commission to**
35 **require a marijuana grow site to use a security system or any component of a security sys-**
36 **tem, such as video surveillance, an alarm system, sensors or physical barriers.**

37 **SECTION 15. If Senate Bill 1057 does not become law, section 14 of this 2017 Act is re-**
38 **pealed.**

39
40 **MARIJUANA GROW SITE ADDRESSES**

41
42 **SECTION 16. Section 16a of this 2017 Act is added to and made a part of ORS 475B.400**
43 **to 475B.525.**

44 **SECTION 16a. (1) For purposes of ORS 475B.400 to 475B.525, the following forms of evi-**
45 **dence shall be sufficient to establish the address where a marijuana grow site is located:**

1 (a) A tax lot number;

2 (b) An assessor's map number with a map attached, showing the exact location of the
3 marijuana grow site; or

4 (c) The exact location of the marijuana grow site using one or more of the following:

5 (A) Longitude and latitude coordinates;

6 (B) Township coordinates; or

7 (C) Global positioning system coordinates.

8 (2) For purposes of ORS 475B.420, the Oregon Health Authority shall accept the forms
9 of evidence described in subsection (1) of this section for the purpose of establishing the ad-
10 dress where a marijuana grow site is located.

11
12 **EXCLUSIVELY MEDICAL LICENSEES**

13
14 **SECTION 17.** If a city or county enacts or has enacted an ordinance prohibiting or al-
15 lowing marijuana processing sites registered under ORS 475B.435 or medical marijuana
16 dispensaries registered under ORS 475B.450, the governing body of the city or the county
17 may amend the ordinance, without referring the amendment to the electors of the city or
18 county under ORS 475B.800, to prohibit or allow the premises of a licensee, as those terms
19 are defined in ORS 475B.015, that has been designated an exclusively medical licensee under
20 section 24, 25, 26 or 27, chapter 183, Oregon Laws 2017 (Enrolled Senate Bill 1057).

21 **SECTION 18.** If Senate Bill 56 becomes law, section 11, chapter __, Oregon Laws 2017
22 (Enrolled Senate Bill 56), and section 11a, chapter __, Oregon Laws 2017 (Enrolled Senate
23 Bill 56) (repealing section 17 of this 2017 Act), are repealed.

24
25 **SCHOOLS**

26
27 **SECTION 19.** Section 20 of this 2017 Act is added to and made a part of ORS 475B.010 to
28 475B.395.

29 **SECTION 20.** Notwithstanding ORS 475B.110 (2)(d), a marijuana retailer may be located
30 within 1,000 feet of a school if:

31 (1) The marijuana retailer is not located within 500 feet of:

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

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

36 (2) The Oregon Liquor Control Commission determines that there is a physical or ge-
37 ographic barrier capable of preventing children from traversing to the premises of the
38 marijuana retailer.

39 **SECTION 21.** Section 22 of this 2017 Act is added to and made a part of ORS 475B.400 to
40 475B.525.

41 **SECTION 22.** Notwithstanding ORS 475B.450 (3)(d), a medical marijuana dispensary may
42 be located within 1,000 feet of a school if:

43 (1) The medical marijuana dispensary is not located within 500 feet of:

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

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

3 **(2) The Oregon Liquor Control Commission determines that there is a physical or ge-**
4 **ographic barrier capable of preventing children from traversing to the premises of the med-**
5 **ical marijuana dispensary.**

6 SECTION 23. Sections 29 and 29b, chapter 83, Oregon Laws 2016, are repealed.

7
8 **AMENDMENTS TO STATUTES**

9
10 SECTION 24. ORS 475B.045 is amended to read:

11 475B.045. (1) The Oregon Liquor Control Commission may not license an applicant under the
12 provisions of ORS 475B.010 to 475B.395 if the applicant is under 21 years of age.

13 (2) The commission may refuse to **issue a license or may issue a restricted license to** an ap-
14 plicant under the provisions of ORS 475B.010 to 475B.395 if the commission [*has reasonable ground*
15 *to believe*] **makes a finding** that the applicant:

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

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

19 (c) Is incompetent or physically unable to carry on the management of the establishment pro-
20 posed to be licensed.

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

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

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

27 (g) Is not the legitimate owner of the [*business*] **premises** proposed to be licensed, or **has not**
28 **disclosed that** other persons have ownership interests in the [*business that have not been*
29 *disclosed.*] **premises proposed to be licensed.**

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

32 (i) Is unable to understand the laws of this state relating to marijuana **items** or the rules [*of the*
33 *commission relating to marijuana*] **adopted under ORS 475B.010 to 475B.395.**

34 (3) Notwithstanding subsection (2)(d) of this section, in determining whether [*the commission may*
35 *refuse*] to **issue a license or a restricted license to** an applicant, the commission may not consider
36 the prior conviction of the applicant or any owner, director, officer, manager, employee, agent or
37 other representative of the applicant for:

38 (a) The manufacture of marijuana, if:

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

40 (B) The person has not been convicted more than once for the manufacture or delivery of
41 marijuana;

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

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

44 (B) The person has not been convicted more than once for the manufacture or delivery of
45 marijuana; or

1 (c) The possession of marijuana.

2 **SECTION 25.** ORS 475B.110, as amended by section 4, chapter 24, Oregon Laws 2016, and sec-
3 tion 10, chapter 83, Oregon Laws 2016, is amended to read:

4 475B.110. (1) The retail sale of marijuana items is subject to regulation by the Oregon Liquor
5 Control Commission.

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

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

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

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

11 (d) Except as provided in [section 29b, chapter 83, Oregon Laws 2016] **section 20 of this 2017**
12 **Act**, may not be located within 1,000 feet of:

13 (A) A public elementary or secondary school for which attendance is compulsory under ORS
14 339.020; or

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

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

19 (3) The commission shall adopt rules that:

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

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

22 (c) Require marijuana items sold by a marijuana retailer to be tested in accordance with ORS
23 475B.555;

24 **(d) Notwithstanding ORS 475B.160, allow a marijuana retailer to deliver marijuana items**
25 **to another marijuana retailer that is owned by the same or substantially the same persons;**

26 [(d)] (e) Subject to the limitations and privileges described in section 5 (4), chapter 83, Oregon
27 Laws 2016, allow a marijuana retailer registered under section 5, chapter 83, Oregon Laws 2016, to
28 sell medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts at re-
29 tail in the same manner that rules adopted under ORS 475B.010 to 475B.395 allow a marijuana
30 retailer to sell general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts
31 at retail, excepting those circumstances where differentiating between the sale of medical grade
32 cannabinoid products, cannabinoid concentrates and cannabinoid extracts and the sale of general
33 use cannabinoid products, cannabinoid concentrates and cannabinoid extracts is necessary to pro-
34 tect the public health and safety; and

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

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

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

40 (b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS
41 475B.240.

42 **SECTION 26.** ORS 475B.210 is amended to read:

43 475B.210. The Oregon Liquor Control Commission may revoke [or], suspend **or restrict** a license
44 issued under ORS 475B.010 to 475B.395 **or require a licensee or licensee representative to un-**
45 **dergo training** if the commission finds or has reasonable ground to believe any of the following to

1 be true:

2 (1) That the licensee **or licensee representative**:

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

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

7 (c) Is insolvent or incompetent or physically unable to carry on the management of the estab-
8 lishment of the licensee.

9 (d) Is in the habit of using alcoholic liquor, habit-forming drugs, marijuana or controlled sub-
10 stances to excess.

11 (e) Has misrepresented to a customer or the public any marijuana items sold by the licensee
12 **or licensee representative**.

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

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

18 **SECTION 27.** ORS 475B.450, as amended by section 8, chapter 24, Oregon Laws 2016, and sec-
19 tion 30, chapter 83, Oregon Laws 2016, is amended to read:

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

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

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

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

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

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

34 (a) The name of the individual who owns the medical marijuana dispensary or, if a business
35 entity owns the medical marijuana dispensary, the name of each individual who has a financial in-
36 terest in the medical marijuana dispensary;

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

39 (c) The address of the medical marijuana dispensary;

40 (d) Proof that each individual responsible for the medical marijuana dispensary is 21 years of
41 age or older;

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

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

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

- 1 (a) May not be located in an area that is zoned for residential use;
- 2 (b) May not be located at the same address as a marijuana grow site;
- 3 (c) Must be registered as a business, or have filed an application to register as a business, with
4 the office of the Secretary of State;
- 5 (d) Except as provided under [section 29, chapter 83, Oregon Laws 2016] **section 22 of this 2017**
6 **Act**, may not be located within 1,000 feet of:
- 7 (A) A public elementary or secondary school for which attendance is compulsory under ORS
8 339.020; or
- 9 (B) A private or parochial elementary or secondary school, teaching children as described in
10 ORS 339.030 (1)(a);
- 11 (e) Must not be located within 1,000 feet of another medical marijuana dispensary; and
- 12 (f) Must meet the requirements of any rule adopted by the authority under subsection (10) of this
13 section.
- 14 (4)(a) The authority shall conduct a criminal records check under ORS 181A.195 for each indi-
15 vidual named in an application submitted under subsection (2) of this section.
- 16 (b) An individual convicted for the manufacture or delivery of a controlled substance in Sched-
17 ular I or Schedule II may not own or be responsible for a medical marijuana dispensary for two years
18 from the date the individual is convicted.
- 19 (c) An individual convicted more than once for the manufacture or delivery of a controlled
20 substance in Schedule I or Schedule II may not own or be responsible for a medical marijuana
21 dispensary.
- 22 (5) If a person submits the application required under subsection (2) of this section, if the med-
23 ical marijuana dispensary identified in the application meets the requirements of this section and
24 any rules adopted under this section and if each individual named in the application passes the
25 criminal records check required under subsection (4) of this section, the authority shall register the
26 medical marijuana dispensary and issue proof of registration. Proof of registration must be displayed
27 on the premises of the medical marijuana dispensary at all times.
- 28 (6) A medical marijuana dispensary that is registered under this section is not required to reg-
29 ister with the State Board of Pharmacy under ORS 475.125.
- 30 (7) The individual or individuals responsible for a medical marijuana dispensary shall maintain
31 documentation of each transfer of usable marijuana, medical cannabinoid products, cannabinoid
32 concentrates, cannabinoid extracts, immature marijuana plants and seeds.
- 33 (8) The authority may inspect:
- 34 (a) The premises of a proposed medical marijuana dispensary or a registered medical marijuana
35 dispensary to ensure compliance with this section and ORS 475B.453 and any rules adopted under
36 this section or ORS 475B.453; and
- 37 (b) The records of a registered medical marijuana dispensary to ensure compliance with sub-
38 section (7) of this section.
- 39 (9) Subject to the provisions of ORS chapter 183, the authority may refuse to register an appli-
40 cant under this section or may suspend or revoke the registration of a medical marijuana dispensary
41 if the authority determines that the applicant, the owner of the medical marijuana dispensary, a
42 person responsible for the medical marijuana dispensary, or an employee of the medical marijuana
43 dispensary, violated a provision of ORS 475B.400 to 475B.525, a rule adopted under ORS 475B.400
44 to 475B.525 or an ordinance adopted pursuant to ORS 475B.500.
- 45 (10) The authority shall adopt rules to implement this section, including rules that:

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

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

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

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

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

12 **SECTION 28.** If Senate Bill 1057 becomes law, ORS 471.775, as amended by section 20, chapter
13 24, Oregon Laws 2016, and section 110, chapter 21, Oregon Laws 2017 (Enrolled Senate Bill 302), is
14 amended to read:

15 471.775. (1) The provisions of ORS 183.440 shall apply to subpoenas issued by each member of
16 the Oregon Liquor Control Commission or any of its authorized agents.

17 (2) Subject to subsection (3) of this section, regulatory specialists have authority as provided
18 under this chapter, ORS chapter 153, ORS 133.005 to 133.400, 133.450, 133.525 to 133.703, 133.721 to
19 133.739, 161.235, 161.239, 161.245[, 475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to
20 475B.655] and chapter 743, Oregon Laws 1971, to conduct inspections or investigations, make arrests
21 and seizures, aid in prosecutions for offenses, issue criminal citations and citations for violations
22 and otherwise enforce this chapter, ORS 474.005 to 474.095[,] **and** 474.115, [475B.010 to 475B.395,
23 475B.550 to 475B.590 and 475B.600 to 475B.655.] commission rules and any other laws of this state
24 that the commission considers related to alcoholic liquor, [*marijuana and marijuana-derived*
25 *products,*] including but not limited to:

26 (a) Laws regarding the production, processing, manufacture, importation, transportation, pos-
27 session, distribution, sale or consumption of alcoholic beverages[, *marijuana or marijuana-derived*
28 *products*];

29 (b) The manufacture or use of false identification; or

30 (c) The entry of premises licensed to sell alcoholic liquor[, *marijuana or marijuana-derived pro-*
31 *ducts*].

32 (3) A regulatory specialist may not:

33 (a) Be sworn in as a federal law enforcement official and act in that capacity while performing
34 duties under subsection (2) of this section; **or**

35 (b) Carry a firearm[;].

36 [(c) *Conduct inspections and investigations of a primary residence or for purposes of ensuring*
37 *compliance with ORS 475B.245 and 475B.375; or]*

38 [(d) *Except as provided under the provisions of ORS 475B.010 to 475B.395, conduct inspections and*
39 *investigations for purposes of ensuring compliance with ORS 475B.400 to 475B.525.*]

40
41 **MISCELLANEOUS**

42
43 **SECTION 29.** (1) **Notwithstanding the term of office specified by section 1 (2) of this 2017**
44 **Act, of the members first appointed to the Oregon Cannabis Commission:**

45 (a) **Two shall serve for terms ending January 1, 2019.**

1 (b) Three shall serve for terms ending January 1, 2020.

2 (c) Three shall serve for terms ending January 1, 2021.

3 (2) Notwithstanding the confirmation requirement specified in section 1 (3) of this 2017
4 Act, the Governor shall appoint members to the commission as soon as practicable after the
5 effective date of this 2017 Act, and the members may perform their duties under sections 4
6 and 6 of this 2017 Act before being confirmed.

7 SECTION 30. In addition to and not in lieu of any other appropriation, there is appro-
8 priated to the Oregon Health Authority, for the biennium beginning July 1, 2017, out of the
9 General Fund, the amount of \$250,000, which may be expended for carrying out the provisions
10 of this 2017 Act.

11 SECTION 31. ORS 475B.520 is repealed.

12 SECTION 32. The unit captions used in this 2017 Act are provided only for the conven-
13 ience of the reader and do not become part of the statutory law of this state or express any
14 legislative intent in the enactment of this 2017 Act.

15 SECTION 33. This 2017 Act being necessary for the immediate preservation of the public
16 peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect
17 on its passage.

18 _____