

Senate Bill 108

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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 **as introduced**.

Modifies certain definitions for purposes of regulating cannabis.
Imposes tax on retail sale of marijuana seeds.
Conforms terms throughout statutes governing regulation of cannabis.

A BILL FOR AN ACT

1
2 Relating to cannabis; creating new provisions; amending ORS 475B.015, 475B.025, 475B.033, 475B.040,
3 475B.055, 475B.060, 475B.065, 475B.068, 475B.075, 475B.125, 475B.130, 475B.135, 475B.140,
4 475B.150, 475B.160, 475B.170, 475B.180, 475B.185, 475B.200, 475B.205, 475B.210, 475B.215,
5 475B.218, 475B.230, 475B.233, 475B.235, 475B.255, 475B.260, 475B.310, 475B.325, 475B.340,
6 475B.345, 475B.355, 475B.365, 475B.370, 475B.399, 475B.410, 475B.490, 475B.575, 475B.605,
7 475B.615, 475B.625, 475B.635, 475B.645, 475B.700, 475B.705 and 475B.800 and section 22, chapter
8 23, Oregon Laws 2016, sections 22, 25, 30 and 47, chapter 24, Oregon Laws 2016, and sections
9 2 and 3, chapter 97, Oregon Laws 2016; and providing for revenue raising that requires approval
10 by a three-fifths majority.

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

DEFINITIONS

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13
14
15 **SECTION 1.** ORS 475B.015, as amended by section 63, chapter 24, Oregon Laws 2016, and sec-
16 tion 11, chapter 83, Oregon Laws 2016, is amended to read:

17 475B.015. As used in ORS 475B.010 to 475B.395:

18 (1) "Cannabinoid" means any of the chemical compounds that are the active constituents of
19 marijuana.

20 (2) "Cannabinoid concentrate" means a substance obtained by separating cannabinoids from
21 marijuana by:

22 (a) A mechanical extraction process;

23 (b) A chemical extraction process using a nonhydrocarbon-based [*or other*] solvent, such as wa-
24 ter, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;

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

27 (d) Any other process identified by the Oregon Liquor Control Commission, in consultation with
28 the Oregon Health Authority, by rule.

29 (3) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate,
30 cannabinoid extract or dried marijuana leaves or flowers have been incorporated.

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

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

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

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

8 (5)(a) “Cannabinoid product” means a cannabinoid edible and any other product intended for
9 human consumption or use, including a product intended to be applied to the skin or hair, that
10 contains cannabinoids or dried marijuana leaves or flowers.

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

12 (A) Usable marijuana by itself;

13 (B) A cannabinoid concentrate by itself;

14 (C) A cannabinoid extract by itself; or

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

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

18 (7)(a) “Financial consideration” means value that is given or received either directly or indi-
19 rectly through sales, barter, trade, fees, charges, dues, contributions or donations.

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

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

23 (9) “Household” means a housing unit and any place in or around a housing unit at which the
24 occupants of the housing unit are producing, processing, possessing or storing homegrown
25 marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

26 (10) “Housing unit” means a house, an apartment or a mobile home, or a group of rooms or a
27 single room that is occupied as separate living quarters, in which the occupants live and eat sepa-
28 rately from any other persons in the building and that has direct access from the outside of the
29 building or through a common hall.

30 (11) “Immature marijuana plant” means a marijuana plant that is not flowering.

31 (12) “Licensee” means a person [*who*] **that** holds a license issued under ORS 475B.070, 475B.090,
32 475B.100 or 475B.110.

33 (13) “Licensee representative” means an owner, director, officer, manager, employee, agent or
34 other representative of a licensee, to the extent that the person acts in a representative capacity.

35 (14)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant
36 Cannabis family Cannabaceae and [*the seeds of the plant Cannabis family Cannabaceae*] **marijuana**
37 **seeds**.

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

39 (15) “Marijuana flowers” means the flowers of the plant genus Cannabis within the plant family
40 Cannabaceae.

41 (16) “Marijuana items” means marijuana, cannabinoid products, cannabinoid concentrates and
42 cannabinoid extracts.

43 (17) “Marijuana leaves” means the leaves of the plant genus Cannabis within the plant family
44 Cannabaceae.

45 (18) “Marijuana processor” means a person who processes marijuana items in this state.

1 (19) “Marijuana producer” means a person who produces marijuana in this state.

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

3 **(21)(a) “Marijuana seeds” means the seeds of the plant Cannabis family Cannabaceae.**

4 **(b) “Marijuana seeds” does not include the seeds of industrial hemp, as defined in ORS**
5 **571.300.**

6 [(21)] **(22)** “Marijuana wholesaler” means a person who purchases marijuana items in this state
7 for resale to a person other than a consumer.

8 [(22)] **(23)** “Mature marijuana plant” means a marijuana plant that is not an immature marijuana
9 plant.

10 [(23)] **(24)** “Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid
11 extract” means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a
12 concentration of tetrahydrocannabinol that is permitted under ORS 475B.625 in a single serving of
13 the cannabinoid product, cannabinoid concentrate or cannabinoid extract for consumers who hold
14 a valid registry identification card issued under ORS 475B.415.

15 [(24)] **(25)** “Medical purpose” means a purpose related to using usable marijuana, cannabinoid
16 products, cannabinoid concentrates or cannabinoid extracts to mitigate the symptoms or effects of
17 a debilitating medical condition, as defined in ORS 475B.410.

18 [(25)] **(26)** “Noncommercial” means not dependent or conditioned upon the provision or receipt
19 of financial consideration.

20 [(26)(a)] **(27)(a)** “Premises” [or “*licensed premises*”] includes the following areas of a location li-
21 censed under ORS [475B.070, 475B.090, 475B.100 or 475B.110] **475B.010 to 475B.395:**

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

24 (B) All areas outside a building that the commission has specifically licensed for the processing,
25 wholesale sale or retail sale of marijuana items; and

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

28 (b) “Premises” [or “*licensed premises*”] does not include a primary residence.

29 [(27)(a)] **(28)(a)** “Processes” means the processing, compounding or conversion of marijuana into
30 cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

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

32 [(28)(a)] **(29)(a)** “Produces” means the manufacture, planting, cultivation, growing or harvesting
33 of marijuana.

34 (b) “Produces” does not include:

35 (A) The drying of marijuana by a marijuana processor, if the marijuana processor is not other-
36 wise producing marijuana; or

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

40 [(29)] **(30)** “Propagate” means to grow immature marijuana plants or to breed or produce [*the*
41 *seeds of the plant Cannabis family Cannabaceae*] **marijuana seeds.**

42 [(30)] **(31)** “Public place” means a place to which the general public has access and includes,
43 but is not limited to, hallways, lobbies and other parts of apartment houses and hotels not consti-
44 tuting rooms or apartments designed for actual residence, and highways, streets, schools, places of
45 amusement, parks, playgrounds and areas used in connection with public passenger transportation.

1 [(31)(a)] **(32)(a)** “Usable marijuana” means the dried leaves and flowers of marijuana.

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

3 **(A) Marijuana seeds;**

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

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

6 **SECTION 2.** ORS 475B.410 is amended to read:

7 475B.410. As used in ORS 475B.400 to 475B.525:

8 (1) “Attending physician” means a physician licensed under ORS chapter 677 who has primary
9 responsibility for the care and treatment of a person diagnosed with a debilitating medical condition.

10 (2) “Cannabinoid” means any of the chemical compounds that are the active constituents of
11 marijuana.

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

14 (a) A mechanical extraction process;

15 (b) A chemical extraction process using a nonhydrocarbon-based solvent, such as **water**, vege-
16 table glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;

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

19 (d) Any other process identified by the Oregon Health Authority, in consultation with the
20 Oregon Liquor Control Commission, by rule.

21 (4) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate,
22 cannabinoid extract or dried leaves or flowers of marijuana have been incorporated.

23 (5) “Cannabinoid extract” means a substance obtained by separating cannabinoids from
24 marijuana by:

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

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

29 (c) Any other process identified by the Oregon Health Authority, in consultation with the
30 Oregon Liquor Control Commission, by rule.

31 (6) “Debilitating medical condition” means:

32 (a) Cancer, glaucoma, a degenerative or pervasive neurological condition, positive status for
33 human immunodeficiency virus or acquired immune deficiency syndrome, or a side effect related to
34 the treatment of those medical conditions;

35 (b) A medical condition or treatment for a medical condition that produces, for a specific pa-
36 tient, one or more of the following:

37 (A) Cachexia;

38 (B) Severe pain;

39 (C) Severe nausea;

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

41 (E) Persistent muscle spasms, including spasms caused by multiple sclerosis;

42 (c) Post-traumatic stress disorder; or

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

- 1 (7)(a) “Delivery” has the meaning given that term in ORS 475.005.
- 2 (b) “Delivery” does not include transfer of marijuana by a registry identification cardholder to
3 another registry identification cardholder if no consideration is paid for the transfer.
- 4 (8)(a) “Designated primary caregiver” means an individual:
- 5 (A) Who is 18 years of age or older;
- 6 (B) Who has significant responsibility for managing the well-being of a person who has been
7 diagnosed with a debilitating medical condition; and
- 8 (C) Who is designated as the person responsible for managing the well-being of a person who
9 has been diagnosed with a debilitating medical condition on that person’s application for a registry
10 identification card or in other written notification submitted to the authority.
- 11 (b) “Designated primary caregiver” does not include a person’s attending physician.
- 12 (9) “High heat” means a temperature exceeding 180 degrees.
- 13 (10) “Immature marijuana plant” means a marijuana plant that is not flowering.
- 14 (11)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant
15 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.
- 16 (b) “Marijuana” does not include industrial hemp, as defined in ORS 571.300.
- 17 (12) “Marijuana grow site” means a location registered under ORS 475B.420 where marijuana
18 is produced for use by a registry identification cardholder.
- 19 (13) “Marijuana processing site” means a marijuana processing site registered under ORS
20 475B.435 [*or a site for which an applicant has submitted an application for registration under ORS*
21 *475B.435*].
- 22 (14) “Mature marijuana plant” means a marijuana plant that is not an immature marijuana
23 plant.
- 24 (15)(a) “Medical cannabinoid product” means a cannabinoid edible and any other product in-
25 tended for human consumption or use, including a product intended to be applied to a person’s skin
26 or hair, that contains cannabinoids or dried leaves or flowers of marijuana.
- 27 (b) “Medical cannabinoid product” does not include:
- 28 (A) Usable marijuana by itself;
- 29 (B) A cannabinoid concentrate by itself;
- 30 (C) A cannabinoid extract by itself; or
- 31 (D) Industrial hemp, as defined in ORS 571.300.
- 32 (16) “Medical marijuana dispensary” means a medical marijuana dispensary registered under
33 ORS 475B.450 [*or a site for which an applicant has submitted an application for registration under*
34 *ORS 475B.450*].
- 35 (17) “Medical use of marijuana” means the production, processing, possession, delivery or ad-
36 ministration of marijuana, or use of paraphernalia used to administer marijuana, to mitigate the
37 symptoms or effects of a debilitating medical condition.
- 38 (18) “Person designated to produce marijuana by a registry identification cardholder” means a
39 person **who is** designated to produce marijuana by a registry identification cardholder under ORS
40 475B.420 **and** who:
- 41 (a) Produces marijuana [*for a registry identification cardholder at an address other than the ad-*
42 *dress where the registry identification cardholder resides or*] at an address where more than 12 ma-
43 ture marijuana plants are produced[.]; **or**
- 44 (b) **Produces marijuana and transfers excess marijuana for compensation to a marijuana**
45 **processing site or a medical marijuana dispensary.**

1 (19) “Process” means the compounding or conversion of marijuana into medical cannabinoid
 2 products, cannabinoid concentrates or cannabinoid extracts.

3 (20) “Production” means:

- 4 (a) Planting, cultivating, growing, trimming or harvesting marijuana; or
- 5 (b) Drying marijuana leaves or flowers.

6 (21) “Registry identification card” means a document issued by the Oregon Health Authority
 7 under ORS 475B.415 that identifies a person authorized to engage in the medical use of marijuana
 8 and, if the person has a designated primary caregiver under ORS 475B.418, the person’s designated
 9 primary caregiver.

10 (22) “Registry identification cardholder” means a person to whom a registry identification card
 11 has been issued under ORS 475B.415.

12 (23)(a) “Usable marijuana” means the dried leaves and flowers of marijuana.

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

- 14 (A) The seeds, stalks and roots of marijuana; or
- 15 (B) Waste material that is a by-product of producing marijuana.

16 (24) “Written documentation” means a statement signed by the attending physician of a person
 17 diagnosed with a debilitating medical condition or copies of the person’s relevant medical records.

18
 19 **TAXATION OF MARIJUANA SEEDS**

20
 21 **SECTION 3.** ORS 475B.700 is amended to read:

22 475B.700. As used in ORS 475B.700 to 475B.760:

23 (1) “Cannabinoid concentrate,” “cannabinoid edible,” “cannabinoid extract,” “cannabinoid prod-
 24 uct,” “consumer,” “immature marijuana plant,” [*“marijuana flowers,”*] “marijuana items,”
 25 [*“marijuana leaves” and “marijuana retailer”*] **“marijuana retailer,” “marijuana seed” and “usable**
 26 **marijuana”** have the meanings given those terms in ORS 475B.015.

27 (2) “Retail sale” means any transfer, exchange, gift or barter of a marijuana item by any person
 28 to a consumer.

29 (3) “Retail sales price” means the price paid for a marijuana item, excluding tax, to a marijuana
 30 retailer by or on behalf of a consumer of the marijuana item.

31 **SECTION 4.** ORS 475B.705, as amended by section 6, chapter 91, Oregon Laws 2016, is amended
 32 to read:

33 475B.705. (1) A tax is hereby imposed upon the retail sale of marijuana items in this state. The
 34 tax imposed by this section is a direct tax on the consumer, for which payment upon retail sale is
 35 required. The tax shall be collected at the point of sale of a marijuana item by a marijuana retailer
 36 at the time at which the retail sale occurs.

37 (2) The tax imposed under this section shall be imposed at the rate of:

- 38 (a) 17 percent of the retail sales price of [*marijuana leaves*] **usable marijuana;**
- 39 (b) 17 percent of the retail sales price of [*marijuana flowers*] **marijuana seeds;**
- 40 (c) 17 percent of the retail sales price of immature marijuana plants;
- 41 (d) 17 percent of the retail sales price of a cannabinoid edible;
- 42 (e) 17 percent of the retail sales price of a cannabinoid concentrate;
- 43 (f) 17 percent of the retail sales price of a cannabinoid extract;
- 44 (g) 17 percent of the retail sales price of a cannabinoid product that is intended to be used by
 45 applying the cannabinoid product to the skin or hair; and

1 (h) 17 percent of the retail sales price of cannabinoid products other than those described in
 2 paragraph (g) of this subsection.

3 (3) If the tax imposed under this section does not equal an amount calculable to a whole cent,
 4 the tax shall be equal to the next higher whole cent.

5 (4) Except as otherwise provided by the Department of Revenue by rule, the amount of the tax
 6 shall be separately stated on an invoice, receipt or other similar document that the marijuana
 7 retailer provides to the consumer at the time at which the retail sale occurs.

8 (5) A person may not knowingly sell, purchase, install, transfer or possess electronic devices or
 9 software programs for the purposes of:

10 (a) Hiding or removing records of retail sales of marijuana items; or

11 (b) Falsifying records of retail sales of marijuana items.

12 (6)(a) A marijuana retailer may not discount a marijuana item or offer a marijuana item for free
 13 if the retail sale of the marijuana item is made in conjunction with the retail sale of any other item.

14 (b) Paragraph (a) of this subsection does not affect any provision of ORS 475B.010 to 475B.395
 15 or any rule adopted by the Oregon Liquor Control Commission pursuant to ORS 475B.010 to
 16 475B.395 that is related to the retail sale of marijuana items.

17
 18 **CONFORMING AMENDMENTS**
 19

20 **SECTION 5.** ORS 475B.025 is amended to read:

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

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

29 (a) To regulate the [*purchase, sale,*] production, processing, transportation [*and*], delivery, **sale**
 30 **and purchase** of marijuana items in accordance with the provisions of ORS 475B.010 to 475B.395.

31 (b) To [*grant, refuse, suspend or cancel*] **issue, renew, suspend, revoke or refuse to issue or**
 32 **renew** licenses for the [*sale, processing or*] production, **processing or sale** of marijuana items, or
 33 other licenses [*in regard to*] **related to the consumption of** marijuana items, and to permit, in the
 34 commission’s discretion, the transfer of a license between persons.

35 (c) To investigate and aid in the prosecution of every violation of the statutory laws of this state
 36 relating to marijuana items and to cooperate in the prosecution of offenders before any state court
 37 of competent jurisdiction.

38 (d) To adopt, amend or repeal rules as necessary to carry out the intent and provisions of ORS
 39 475B.010 to 475B.395, including rules that the commission considers necessary to protect the public
 40 health and safety.

41 (e) To exercise all powers incidental, convenient or necessary to enable the commission to ad-
 42 minister or carry out the provisions of ORS 475B.010 to 475B.395 or any other law of this state that
 43 charges the commission with a duty, function or power related to marijuana. Powers described in
 44 this paragraph include, but are not limited to:

45 (A) Issuing subpoenas;

1 (B) Compelling the attendance of witnesses;

2 (C) Administering oaths;

3 (D) Certifying official acts;

4 (E) Taking depositions as provided by law;

5 (F) Compelling the production of books, payrolls, accounts, papers, records, documents and tes-
6 timony; and

7 (G) Establishing fees in addition to the application, licensing and renewal fees described in ORS
8 475B.070, 475B.090, 475B.100 and 475B.110, provided that any fee established by the commission is
9 reasonably calculated not to exceed the cost of the activity for which the fee is charged.

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

12 (A) That is appealing to minors;

13 (B) That promotes excessive use;

14 (C) That promotes illegal activity; or

15 (D) That otherwise presents a significant risk to public health and safety.

16 (g) To regulate the use of marijuana items for scientific, pharmaceutical, manufacturing, me-
17 chanical, industrial and other purposes.

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

20 **SECTION 6.** ORS 475B.033 is amended to read:

21 475B.033. The Oregon Liquor Control Commission may, by **rule or** order, provide for the manner
22 and conditions under which:

23 (1) Marijuana items left by a deceased, insolvent or bankrupt person or licensee, or subject to
24 a security interest, may be foreclosed, sold under execution or otherwise disposed.

25 (2) The business of a deceased, insolvent or bankrupt licensee may be operated for a reasonable
26 period following the death, insolvency or bankruptcy.

27 (3) A secured party, as defined in ORS 79.0102, may continue to operate a business for which a
28 license has been issued under ORS [*475B.070, 475B.090, 475B.100 or 475B.110*] **475B.010 to 475B.395**
29 for a reasonable period after default on the indebtedness by the debtor.

30 **SECTION 7.** ORS 475B.040 is amended to read:

31 475B.040. (1) An applicant for a license or renewal of a license under ORS 475B.010 to 475B.395
32 shall apply to the Oregon Liquor Control Commission in the form required by the commission **by**
33 **rule**, showing the name and address of the applicant, location of the place of business that is to be
34 operated under the license and other pertinent information required by the commission. The com-
35 mission may not [*grant*] **issue** or renew a license until the applicant has complied with the pro-
36 visions of ORS 475B.010 to 475B.395 and [*the rules of the commission*] **rules adopted under ORS**
37 **475B.010 to 475B.395**.

38 (2) The commission may reject any application that is not submitted in the form required **by the**
39 **commission** by rule. The commission shall give applicants an opportunity to be heard if an appli-
40 cation is rejected. A hearing under this subsection is not subject to the requirements for contested
41 case proceedings under ORS chapter 183.

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

45 **SECTION 8.** ORS 475B.055 is amended to read:

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

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

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

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

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

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

[(6) Expires upon the death of the licensee, except as provided in ORS 475B.033.]

[(7)] **(5)** Does not constitute property.

[(8)] **(6)** Is not alienable.

[(9)] **(7)** Is not subject to attachment or execution.

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

SECTION 9. ORS 475B.060 is amended to read:

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

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

(3) The commission may not license a premises that does not have defined boundaries. A *[licensed]* premises does not need to be enclosed by a wall, fence or other structure, but the commission may require *[that]* a *[licensed]* premises **to** be enclosed as a condition of issuing or renewing a license. The commission may not license **a** mobile premises.

SECTION 10. ORS 475B.065 is amended to read:

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

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

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

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

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

SECTION 12. ORS 475B.075, as amended by section 10, chapter 24, Oregon Laws 2016, is amended to read:

475B.075. (1) Subject to subsection (2) of this section, the Oregon Liquor Control Commission

1 shall adopt rules restricting the size of mature marijuana plant grow canopies at premises for which
 2 a license has been issued under ORS 475B.070. In adopting rules under this subsection, the com-
 3 mission shall:

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

8 (b) Adopt a tiered system under which the permitted size of a marijuana producer's mature
 9 marijuana plant grow canopy increases at the time of licensure renewal under ORS 475B.070, except
 10 that the permitted size of a marijuana producer's mature marijuana plant grow canopy may not in-
 11 crease following any year during which the commission disciplined the marijuana producer for vio-
 12 lating a provision of ORS 475B.010 to 475B.395 or a rule adopted under [*a provision of*] ORS 475B.010
 13 to 475B.395.

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

19 (2) This section:

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

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

24 **SECTION 13.** ORS 475B.125 is amended to read:

25 475B.125. The Oregon Liquor Control Commission may adopt rules establishing the circum-
 26 stances under which the commission may require a marijuana retailer that holds a license issued
 27 under ORS 475B.110 to use an age verification scanner or any other equipment used to verify a
 28 person's age for the purpose of ensuring that the marijuana retailer does not sell marijuana items
 29 to a person under 21 years of age. [*The marijuana retailer may not retain any*] Information obtained
 30 under this section **may not be retained** after verifying a person's age. [*The marijuana retailer may*
 31 *not use any*] Information obtained under this section **may not be used** for any purpose other than
 32 verifying a person's age.

33 **SECTION 14.** ORS 475B.130 is amended to read:

34 475B.130. (1) The Oregon Liquor Control Commission [*has the right after 72 hours' notice to the*
 35 *owner or the agent of the owner to*] **may after 72 hours' notice** make an examination of the books
 36 [*and*] **of a licensee for the purpose of determining compliance with ORS 475B.010 to 475B.395**
 37 **and rules adopted under ORS 475B.010 to 475B.395.**

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

42 [(2)] (3) The commission may not require the books of a licensee to be maintained on [*the*] **a**
 43 premises of the licensee.

44 [(3)] (4) This section does not authorize the (3) commission to make an examination of [*the*] **a**
 45 premises of a person registered under ORS 475B.400 to 475B.525.

1 **SECTION 15.** ORS 475B.135 is amended to read:

2 475B.135. As is necessary to protect the public health and safety, the Oregon Liquor Control
3 Commission may require a premises licensed under ORS [475B.070, 475B.090, 475B.100 or 475B.110]
4 **475B.010 to 475B.395** to be segregated into separate areas:

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

8 (2) For conducting activities related to processing marijuana into different types of cannabinoid
9 products, cannabinoid concentrates or cannabinoid extracts, if the licensee is a marijuana processor
10 **that holds a license issued under ORS 475B.090 and** that processes marijuana into any combina-
11 tion of different types of products, concentrates and extracts.

12 **SECTION 16.** ORS 475B.140 is amended to read:

13 475B.140. As is necessary to protect the public health and safety, the Oregon Liquor Control
14 Commission may require a [*person that holds a license under ORS 475B.070, 475B.090, 475B.100 or*
15 *475B.110*] **licensee** to maintain general liability insurance in an amount that the commission deter-
16 mines is reasonably affordable and available for the purpose of protecting the [*person*] **licensee**
17 against damages resulting from a cause of action related to activities undertaken pursuant to the
18 license **held by the licensee.**

19 **SECTION 17.** ORS 475B.150, as amended by section 64, chapter 24, Oregon Laws 2016, is
20 amended to read:

21 475B.150. (1) The Oregon Liquor Control Commission shall develop and maintain a system for
22 tracking the transfer of marijuana items between premises **for which licenses have been issued**
23 **under ORS 475B.010 to 475B.395.**

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

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

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

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

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

31 (e) Ensuring compliance with [*the provisions of*] ORS 475B.010 to 475B.395, rules adopted under
32 [*the provisions of*] ORS 475B.010 to 475B.395 and any other law of this state that charges the com-
33 mission with a duty, function or power related to marijuana.

34 (3) The system developed and maintained under this section must be capable of tracking, at a
35 minimum:

36 (a) The propagation of immature marijuana plants and the production of marijuana by a
37 marijuana producer;

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

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

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

41 (e) The **sale and** purchase [*and sale*] of marijuana items between licensees, as permitted by ORS
42 475B.010 to 475B.395;

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

45 (g) Any other information that the commission determines is reasonably necessary to accomplish

1 the duties, functions and powers of the commission under ORS 475B.010 to 475B.395.

2 **SECTION 18.** ORS 475B.160, as amended by section 23, chapter 23, Oregon Laws 2016, section
3 65, chapter 24, Oregon Laws 2016, and section 12, chapter 83, Oregon Laws 2016, is amended to
4 read:

5 475B.160. (1) Except as provided in section 22, chapter 23, Oregon Laws 2016, and section 2,
6 chapter 83, Oregon Laws 2016, a marijuana producer **that holds a license issued under ORS**
7 **475B.070**, marijuana processor **that holds a license issued under ORS 475B.090** or marijuana
8 wholesaler **that holds a license issued under ORS 475B.100** may deliver marijuana items only to
9 or on a premises **for which a license has been issued under ORS 475B.070, 475B.090, 475B.100**
10 **or 475B.110.**

11 (2) [A *premises*] **A licensee to whom marijuana items may be delivered under subsection**
12 **(1) of this section** may receive marijuana items only from:

13 [(a) A *marijuana producer, marijuana processor or marijuana wholesaler for whom a premises has*
14 *been licensed by the Oregon Liquor Control Commission;*]

15 **(a) A marijuana producer that holds a license issued under ORS 475B.070, marijuana**
16 **processor that holds a license issued under ORS 475B.090 or marijuana wholesaler that holds**
17 **a license issued under ORS 475B.100;**

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

22 (c) A marijuana grow site registered under ORS 475B.420, marijuana processing site registered
23 under ORS 475B.435, or [*a*] medical marijuana dispensary registered under ORS 475B.450, acting in
24 accordance with procedures adopted by the **Oregon Liquor Control** Commission under section 25,
25 chapter 24, Oregon Laws 2016.

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

30 **SECTION 19.** ORS 475B.170 is amended to read:

31 475B.170. (1) Subject to subsection (2) of this section, a licensee or licensee representative, be-
32 fore selling or providing a marijuana item to another person, must require the person to produce
33 one of the following pieces of identification:

34 (a) The person's passport.

35 (b) The person's driver license, whether issued in this state or by [*any other state, as long as the*
36 *license has a picture of the person*] **another state.**

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

38 (d) A United States military identification card.

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

41 (2) The Oregon Liquor Control Commission may adopt rules exempting a licensee or licensee
42 representative from this section.

43 **SECTION 20.** ORS 475B.180 is amended to read:

44 475B.180. (1) A licensee may not employ [*any*] a person under 21 years of age [*in any part of any*
45 *licensed premises*] **at a premises for which a license has been issued under ORS 475B.010 to**

1 **475B.395.**

2 (2) During *[any]* an inspection of a *[licensed]* premises **for which a license has been issued**
 3 **under ORS 475B.010 to 475B.395**, the Oregon Liquor Control Commission may require proof that
 4 a person performing work at the premises is 21 years of age or older. If the person does not provide
 5 the commission with acceptable proof of age upon request, the commission may require the person
 6 to immediately cease any activity and leave the premises until the commission receives acceptable
 7 proof of age. This subsection does not apply to a person temporarily at the premises to make a
 8 service, maintenance or repair call or for other purposes independent of the premises operations.

9 (3) If a person performing work has not provided proof of age requested by the commission under
 10 subsection (2) of this section, the commission may request that the licensee provide proof that the
 11 person is 21 years of age or older. Failure of the licensee to respond to a request made under this
 12 subsection by providing acceptable proof of age for a person is prima facie evidence that the
 13 licensee has allowed the person to perform work at the *[licensed]* premises **for which a license has**
 14 **been issued under ORS 475B.010 to 475B.395** in violation of the minimum age requirement.

15 **SECTION 21.** ORS 475B.185, as amended by section 39, chapter 24, Oregon Laws 2016, is
 16 amended to read:

17 475B.185. (1) A person may not import marijuana items into this state or export marijuana items
 18 from this state.

19 (2) Except as provided in subsection (3) of this section, a violation of this section is a Class B
 20 violation.

21 (3) A violation of this section is a:

22 (a) Class C felony, if the importation or exportation:

23 (A) Is for consideration and the person *[holds a license under ORS 475B.070, 475B.090, 475B.100*
 24 *or 475B.110]* **is a licensee**; or

25 (B) Concerns usable marijuana and the importation or exportation exceeds 16 ounces of usable
 26 marijuana.

27 (b) Class A misdemeanor, if the importation or exportation:

28 (A) Is not for consideration and the person *[holds a license under ORS 475B.070, 475B.090,*
 29 *475B.100 or 475B.110]* **is a licensee**; or

30 (B) Concerns usable marijuana and the importation or exportation exceeds one ounce of usable
 31 marijuana.

32 **SECTION 22.** ORS 475B.200 is amended to read:

33 475B.200. (1) Except for a *[licensed marijuana producer and the producer's licensee*
 34 *representative]* **marijuana producer that holds a license issued under ORS 475B.070 or licensee**
 35 **representative of a marijuana producer that holds a license issued under ORS 475B.070, a**
 36 **licensee or licensee representative** may not possess a mature marijuana plant.

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

38 **SECTION 23.** ORS 475B.205 is amended to read:

39 475B.205. (1) A person may not make false representations or statements to the Oregon Liquor
 40 Control Commission in order to induce or prevent action by the commission.

41 (2) A licensee *[of the commission]* may not maintain a noisy, lewd, disorderly or insanitary es-
 42 tablishment or supply impure or otherwise deleterious marijuana items.

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

45 **SECTION 24.** ORS 475B.210 is amended to read:

1 475B.210. The Oregon Liquor Control Commission may revoke or suspend a license issued under
 2 ORS 475B.010 to 475B.395 if the commission finds or has reasonable ground to believe any of the
 3 following to be true:

4 (1) That the licensee:

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

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

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

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

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

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

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

19 **SECTION 25.** ORS 475B.215, as amended by section 16, chapter 23, Oregon Laws 2016, is
 20 amended to read:

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

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

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

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

29 (2) A [*person who holds a license under ORS 475B.070, 475B.090, 475B.100 or 475B.110*] **licensee**
 30 must verify that an individual has a valid permit issued under ORS 475B.218 before allowing the
 31 individual to perform any work described in subsection (1) of this section at the premises for which
 32 the license has been issued.

33 **SECTION 26.** ORS 475B.218, as amended by section 13, chapter 24, Oregon Laws 2016, is
 34 amended to read:

35 475B.218. (1) The Oregon Liquor Control Commission shall issue permits to qualified applicants
 36 to perform work described in ORS 475B.215. The commission shall adopt rules establishing:

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

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

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

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

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

44 (A) Checking identification;

45 (B) Detecting intoxication;

1 (C) Handling marijuana items;

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

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

4 [(D)] **(F)** The content of ORS 475B.010 to 475B.395 and rules adopted under ORS 475B.010 to
5 475B.395; [and] **or**

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

8 (b) The commission or other provider of [*the*] **a** course may charge a reasonable fee for the
9 course.

10 (c) The commission may not require an individual to successfully complete [*the*] **a** course more
11 than once, except that:

12 (A) As part of a final order suspending a permit issued under this section, the commission may
13 require a permit holder to successfully complete the course as a condition of lifting the suspension;
14 and

15 (B) As part of a final order revoking a permit issued under this section, the commission shall
16 require an individual to successfully complete the course prior to applying for a new permit.

17 (3) The commission shall conduct a criminal records check under ORS 181A.195 on an individual
18 applying for a permit under this section.

19 (4) Subject to the applicable provisions of ORS chapter 183, the commission may suspend, revoke
20 or refuse to issue or renew a permit if the individual who is applying for or who holds the permit:

21 (a) Is convicted of a felony or is convicted of an offense under ORS 475.856, 475.858, 475.860,
22 475.862 or 475B.010 to 475B.395, except that the commission may not consider a conviction for an
23 offense under ORS 475.856, 475.858, 475.860, 475.862 or 475B.010 to 475B.395 if the date of the con-
24 viction is two or more years before the date of the application or renewal;

25 (b) Violates any provision of ORS 475B.010 to 475B.395 or any rule adopted under ORS 475B.010
26 to 475B.395; or

27 (c) Makes a false statement to the commission.

28 (5) A permit issued under this section is a personal privilege and permits work described under
29 ORS 475B.215 only for the individual who holds the permit.

30 **SECTION 27.** ORS 475B.230 is amended to read:

31 475B.230. (1) An employee of a [*person licensed under ORS 475B.070, 475B.090, 475B.100 or*
32 *475B.110*] **licensee** has the right to form, join and participate in the activities of a labor organization
33 of the employee's own choosing for the purpose of securing representation and collective bargaining
34 for matters concerning employment relations with the [*person licensed under ORS 475B.070,*
35 *475B.090, 475B.100 or 475B.110*] **licensee**.

36 (2) For purposes of this section, the provisions of ORS chapters 661 to 663 apply to relations
37 between employees of [*persons licensed under ORS 475B.070, 475B.090, 475B.100 and 475B.110*]
38 **licensees** and employers that are [*licensed under ORS 475B.070, 475B.090, 475B.100 or 475B.110*]
39 **licensees** in the same manner that those provisions apply to other employment relations.

40 **SECTION 28.** ORS 475B.233 is amended to read:

41 475B.233. (1) It is an unlawful employment practice for a [*person that holds a license under ORS*
42 *475B.070, 475B.090, 475B.100 or 475B.110*] **licensee** to discharge, demote, suspend or in any manner
43 discriminate or retaliate against an employee of the [*person*] **licensee** with regard to promotion,
44 compensation or other terms, conditions or privileges of employment on the basis that the employee
45 has in good faith reported information to the Oregon Liquor Control Commission that the employee

1 believes is evidence of a violation of a provision of ORS 475B.010 to 475B.395 or a rule adopted
2 under [a provision of] ORS 475B.010 to 475B.395.

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

4 **SECTION 29.** ORS 475B.235, as amended by section 24, chapter 23, Oregon Laws 2016, and
5 section 12, chapter 24, Oregon Laws 2016, is amended to read:

6 475B.235. (1) The Oregon Liquor Control Commission, in consultation with the Oregon Health
7 Authority and the State Department of Agriculture, shall establish a program for the purpose of
8 identifying and certifying private and public researchers of cannabis.

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

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

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

14 (a) Qualifications for certification under this section;

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

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

17 (d) Procedures for tracking marijuana, usable marijuana, cannabinoid products, cannabinoid
18 concentrates and cannabinoid extracts received by and disposed or otherwise made use of by a
19 person [certified] **that holds a certificate issued** under this section; and

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

22 (4) In establishing qualifications under subsection (3) of this section, the commission shall con-
23 sider the following:

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

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

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

29 (5) In adopting procedures under subsection (3)(d) and (e) of this section with respect to making
30 use of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and
31 cannabinoid extracts, the commission shall also adopt procedures by which a person [certified] **that**
32 **holds a certificate issued** under this section may transfer limited amounts of marijuana, usable
33 marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts to another
34 person [certified] **that holds a certificate issued** under this section or to a premises for which a
35 license has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110.

36 (6) In adopting procedures under subsection (3)(d) and (e) of this section with respect to making
37 use of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and
38 cannabinoid extracts, the commission shall also adopt procedures by which a person [certified] **that**
39 **holds a certificate issued** under this section may give, devise or bequest usable marijuana, imma-
40 ture marijuana plants, seeds, cannabinoid products, cannabinoid concentrates and cannabinoid ex-
41 tracts to a medical marijuana dispensary registered with the authority under ORS 475B.450 and
42 owned by a nonprofit corporation organized under ORS chapter 65 for purposes described in section
43 22, chapter 23, Oregon Laws 2016.

44 (7) A person [certified] **that holds a certificate issued** under this section:

45 (a) May receive marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates

1 and cannabinoid extracts from a licensee or a registrant under ORS 475B.400 to 475B.525; and

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

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

10 (9) A person [*who is certified*] **that holds a certificate issued** under this section, and an em-
11 ployee of or other person who performs work for a person [*certified*] **that holds a certificate issued**
12 under this section, is exempt from the criminal laws of this state for possession, delivery or manu-
13 facture of marijuana, aiding and abetting another in the possession, delivery and manufacture of
14 marijuana, or any other criminal offense in which possession, delivery or manufacture of marijuana
15 is an element, while performing activities related to conducting research as described in this section.

16 **SECTION 30.** ORS 475B.255, as amended by section 38, chapter 24, Oregon Laws 2016, is
17 amended to read:

18 475B.255. A person other than a [*person*] **marijuana processor** that holds a license **issued** un-
19 der ORS 475B.090 may not process cannabinoid extracts into a cannabinoid product.

20 **SECTION 31.** ORS 475B.260 is amended to read:

21 475B.260. (1)(a) A person under 21 years of age may not attempt to purchase, purchase or ac-
22 quire a marijuana item.

23 (b) For purposes of this subsection, purchasing a marijuana item includes accepting a marijuana
24 item, and acquiring a marijuana item includes consuming a marijuana item, provided that the con-
25 sumption of the marijuana item occurred no more than 24 hours before the determination that the
26 person consumed the marijuana item.

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

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

32 (4) In addition to and not in lieu of any other penalty established by law, a court may require
33 a person under 21 years of age who violates subsection (1) of this section through misrepresentation
34 of age to perform community service, and the court may order that the person's driving privileges
35 and right to apply for driving privileges be suspended for a period not to exceed one year. If a court
36 has issued an order suspending driving privileges under this section, the court, upon petition of the
37 person, may withdraw the order at any time the court deems appropriate. The court notification to
38 the Department of Transportation under this subsection may include a recommendation that the
39 person be granted a hardship permit under ORS 807.240 if the person is otherwise eligible for the
40 permit.

41 (5) If a person cited under this section is at least 13 years of age but less than 21 years of age
42 at the time the person is found in default under ORS 153.102 or 419C.472 for failure to appear, in
43 addition to and not in lieu of any other penalty, the court shall issue notice under ORS 809.220 to
44 the department for the department to suspend the person's driving privileges under ORS 809.280 (4).

45 (6) In addition to and not in lieu of any penalty established by law, the court may order a person

1 to undergo assessment and treatment if the person has previously been found to have violated this
 2 section.

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

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

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

13 (A) The person contacted emergency medical services or a law enforcement agency in order to
 14 obtain medical assistance for another person who was in need of medical assistance because that
 15 person consumed a marijuana item and the evidence of the violation of this section was obtained
 16 as a result of the person's having contacted emergency medical services or a law enforcement
 17 agency; or

18 (B) The person was in need of medical assistance because the person consumed a marijuana item
 19 and the evidence of the violation of this section was obtained as a result of the person's having
 20 sought or obtained the medical assistance.

21 (b) Paragraph (a) of this subsection does not exclude the use of evidence obtained as a result
 22 of a person's having sought medical assistance in proceedings for crimes or offenses other than a
 23 violation of this section.

24 **SECTION 32.** ORS 475B.310 is amended to read:

25 475B.310. The county courts, district attorneys and municipal authorities, immediately upon the
 26 conviction of [*any*] **a licensee** [*of the Oregon Liquor Control Commission*] of a violation of [*any*] **a**
 27 provision of ORS 475B.010 to 475B.395, or [*the*] **of a violation of any other law of this state or or-**
 28 **dinance of [*any municipality*] a city or county located in this state[, in which violation marijuana**
 29 **had any part,] an element of which is the possession, delivery or manufacture of a marijuana**
 30 **item,** shall notify the **Oregon Liquor Control** Commission of the conviction. [*The county courts,*
 31 *district attorneys and municipal authorities shall notify the commission of any acts, practices or other*
 32 *conduct of a licensee convicted as described in this section that may be subversive of the general wel-*
 33 *fare or contrary to the spirit of ORS 475B.010 to 475B.395 and shall recommend such action on the*
 34 *part of the commission as will remove the evil.]*

35 **SECTION 33.** ORS 475B.325 is amended to read:

36 475B.325. (1) The governing body of a city or a county, when a petition is filed as provided in
 37 this section, shall order an election on the question **as to** whether the operation of [*licensed*] prem-
 38 **ises for which a license has been issued under ORS 475B.010 to 475B.395** should be prohibited
 39 in the city or county.

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

42 (a) In the case of a city, must be as provided for an initiative petition under ORS 250.265 to
 43 250.346.

44 (b) In the case of a county, must be as provided for an initiative petition under ORS 250.165 to
 45 250.235.

(3) A petition under this section:

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

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

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

(5) A signature is not valid unless signed within 180 days before the petition is filed.

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

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

SECTION 34. ORS 475B.340, as amended by section 4, chapter 23, Oregon Laws 2016, and section 66, chapter 24, Oregon Laws 2016, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 **SECTION 35.** ORS 475B.345, as amended by section 3, chapter 91, Oregon Laws 2016, is
9 amended to read:

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

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

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

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

23 (4) If the governing body of a city or county adopts an ordinance under this section, the gov-
24 erning body shall refer the measure of the ordinance to the electors of the city or county for ap-
25 proval at the next statewide general election.

26 (5) An ordinance adopted under this section may not impose a tax or fee:

27 (a) In excess of three percent; or

28 (b) On a registry identification cardholder or on a designated primary caregiver who is pur-
29 chasing a marijuana item for a registry identification cardholder.

30 **SECTION 36.** ORS 475B.355 is amended to read:

31 475B.355. (1) The Oregon Liquor Control Commission, the State Department of Agriculture and
32 the Oregon Health Authority may not refuse to perform any duty under ORS 475B.010 to 475B.395
33 on the basis that manufacturing, distributing, dispensing, possessing or using marijuana is prohibited
34 by federal law.

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

38 **SECTION 37.** ORS 475B.365 is amended to read:

39 475B.365. In case of invasion, disaster, insurrection or riot, or imminent danger of invasion,
40 disaster, insurrection or riot, the Governor may, for the duration of the invasion, disaster,
41 insurrection or riot, or imminent danger, immediately **and without notice** suspend [*without notice*
42 *any license*] in the area involved [*granted*] **any license, certificate or permit issued** under ORS
43 475B.010 to 475B.395.

44 **SECTION 38.** ORS 475B.370, as amended by section 3, chapter 23, Oregon Laws 2016, is
45 amended to read:

1 475B.370. (1) Marijuana is:

- 2 (a) A crop for the purposes of “farm use” as defined in ORS 215.203;
- 3 (b) A crop for purposes of a “farm” and “farming practice,” both as defined in ORS 30.930;
- 4 (c) A product of farm use as described in ORS 308A.062; and
- 5 (d) The product of an agricultural activity for purposes of ORS 568.909.

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

- 8 (a) A new dwelling used in conjunction with a marijuana crop;
- 9 (b) A farm stand, as described in ORS 215.213 (1)(r) or 215.283 (1)(o), used in conjunction with
10 a marijuana crop; and

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

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

16 (4) This section applies to:

- 17 (a) Marijuana producers [*licensed*] **that hold a license issued** under ORS 475B.070;
- 18 (b) Persons registered under ORS 475B.420 and designated to produce marijuana by one or more
19 persons who hold valid registry identification cards issued under ORS 475B.415; and
- 20 (c) For the purpose of producing marijuana or propagating immature marijuana plants, [*persons*
21 *who hold certificates*] **researchers of cannabis that hold a certificate issued** under ORS 475B.235.

22 **SECTION 39.** ORS 475B.399 is amended to read:

23 475B.399. (1) As used in this section, “marijuana” and “marijuana item” have the meanings given
24 those terms in ORS 475B.015.

25 (2) On or before February 1 of each odd-numbered year, the Oregon Liquor Control Commission
26 shall report to the Legislative Assembly in the manner required by ORS 192.245, the approximate
27 amount of marijuana produced by [*persons who hold a license*] **marijuana producers that hold a**
28 **license issued** under ORS 475B.070 and the approximate amount of marijuana items sold by [*persons*
29 *who hold a license*] **marijuana retailers that hold a license issued** under ORS 475B.110, and
30 whether the supply of marijuana in this state is commensurate with the demand for marijuana items
31 in this state.

32 **SECTION 40.** ORS 475B.490, as amended by section 20a, chapter 23, Oregon Laws 2016, is
33 amended to read:

34 475B.490. (1) Registration under ORS 475B.400 to 475B.525 or possession of proof of registration
35 under ORS 475B.400 to 475B.525 does not constitute probable cause to search the person or property
36 of the registrant or otherwise subject the person or property of the registrant to inspection by a
37 government agency. However, the Oregon Health Authority may inspect the marijuana grow site
38 of a person designated to produce marijuana by a registry identification cardholder, a marijuana
39 processing site [*registered under ORS 475B.435*], or a medical marijuana dispensary [*registered under*
40 *ORS 475B.450*], at any reasonable time to determine whether the person responsible for the
41 marijuana grow site, the person responsible for the marijuana processing site, or the person re-
42 sponsible for the medical marijuana dispensary, is in compliance with ORS 475B.400 to 475B.525 and
43 rules adopted under ORS 475B.400 to 475B.525.

44 (2) Any property interest possessed, owned or used in connection with the medical use of
45 marijuana or acts incidental to the medical use of marijuana that has been seized by state or local

1 law enforcement officers may not be harmed, neglected, injured or destroyed while in the possession
 2 of a law enforcement agency, except that a law enforcement agency has no responsibility to main-
 3 tain live marijuana plants lawfully seized. Such property interest may not be forfeited under any
 4 provision of law providing for the forfeiture of property, except pursuant to a sentence imposed after
 5 conviction of a criminal offense. Marijuana and equipment or paraphernalia used to produce, process
 6 or administer marijuana that was seized by a law enforcement officer shall be returned immediately
 7 if the district attorney in whose county the property was seized, or the district attorney's designee,
 8 determines that the person from whom the marijuana, equipment or paraphernalia was seized is
 9 entitled to the protections provided by ORS 475B.400 to 475B.525. The determination may be evi-
 10 denced by a decision not to prosecute, the dismissal of charges or acquittal.

11 **SECTION 41.** ORS 475B.575 is amended to read:

12 475B.575. Subject to the applicable provisions of ORS chapter 183, if an applicant or licensee
 13 violates a provision of ORS 475B.550 to 475B.590 or a rule adopted under a provision of ORS
 14 475B.550 to 475B.590, the Oregon Liquor Control Commission may refuse to issue or renew, or may
 15 suspend or revoke, a license issued under ORS [475B.070, 475B.090, 475B.100 or 475B.110] **475B.010**
 16 **to 475B.395.**

17 **SECTION 42.** ORS 475B.605 is amended to read:

18 475B.605. (1) As is necessary to protect the public health and safety, and in consultation with
 19 the Oregon Liquor Control Commission and the State Department of Agriculture, the Oregon Health
 20 Authority shall adopt rules establishing standards for the labeling of marijuana items, including but
 21 not limited to:

22 (a) Ensuring that usable marijuana, cannabinoid concentrates and extracts, cannabinoid edibles
 23 and other cannabinoid products have labeling that communicates:

24 (A) Health and safety warnings;

25 (B) Activation time;

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

27 (D) Potency;

28 (E) For cannabinoid products and cannabinoid concentrates and extracts, serving size and the
 29 number of servings included in a cannabinoid product or cannabinoid concentrate or extract pack-
 30 age; and

31 (F) Content of the marijuana item; and

32 (b) Labeling that is in accordance with applicable state food labeling requirements for the same
 33 type of food product or potable liquid when the food product or potable liquid does not contain
 34 marijuana or cannabinoids.

35 (2) In adopting rules under ORS 475B.400 to 475B.525, the authority shall require all usable
 36 marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a med-
 37 ical marijuana dispensary registered under ORS 475B.450 to be labeled in accordance with sub-
 38 section (1) of this section and rules adopted under subsection (1) of this section.

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

43 (4) In adopting rules under subsection (1) of this section, the authority:

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

1 (b) May establish different minimum labeling standards for persons registered under ORS
2 475B.400 to 475B.525 and persons licensed under ORS 475B.010 to 475B.395;

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

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

7 **SECTION 43.** ORS 475B.615 is amended to read:

8 475B.615. (1) As is necessary to protect the public health and safety, and in consultation with
9 the Oregon Health Authority and the State Department of Agriculture, the Oregon Liquor Control
10 Commission shall adopt rules establishing standards for the packaging of marijuana items, including
11 but not limited to:

12 (a) Ensuring that usable marijuana, cannabinoid concentrates and extracts, cannabinoid edibles
13 and other cannabinoid products are:

14 (A) Packaged in child-resistant safety packaging; and

15 (B) Not marketed in a manner that:

16 (i) Is untruthful or misleading;

17 (ii) Is attractive to minors; or

18 (iii) Otherwise creates a significant risk of harm to public health and safety; and

19 (b) Ensuring that cannabinoid edibles and other cannabinoid products are not packaged in a
20 manner that is attractive to minors.

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

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

29 (4) In adopting rules under subsection (1) of this section the commission:

30 (a) May establish different packaging standards for different varieties of usable marijuana and
31 for different types of cannabinoid products and cannabinoid concentrates and extracts;

32 (b) May establish different minimum packaging standards for persons registered under ORS
33 475B.400 to 475B.525 and persons licensed under ORS 475B.010 to 475B.395;

34 (c) May consider the effect on the environment of requiring certain packaging;

35 (d) Shall consider the cost of a potential requirement and how that cost will affect the cost to
36 the ultimate consumer of the marijuana item; and

37 (e) May not adopt rules that are more restrictive than is reasonably necessary to protect the
38 public health and safety.

39 **SECTION 44.** ORS 475B.625, as amended by section 15, chapter 83, Oregon Laws 2016, is
40 amended to read:

41 475B.625. (1) The Oregon Health Authority shall adopt rules establishing:

42 (a) The maximum concentration of tetrahydrocannabinol that is permitted in a single serving
43 of a cannabinoid product or cannabinoid concentrate or extract; and

44 (b) The number of servings that are permitted in a cannabinoid product or cannabinoid concen-
45 trate or extract package.

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

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

5 (B) Consumers who do not hold a valid registry identification card issued under ORS 475B.415.

6 (b) In prescribing the levels of concentration of tetrahydrocannabinol that is permitted in a
 7 single serving of a cannabinoid product or cannabinoid concentrate or extract for consumers who
 8 hold a valid registry identification card issued under ORS 475B.415, the authority shall consider the
 9 appropriate level of concentration necessary to mitigate the symptoms or effects of a debilitating
 10 medical condition, as defined in ORS 475B.410.

11 (3) In adopting rules under ORS 475B.400 to 475B.525, the authority shall require all usable
 12 marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a med-
 13 ical marijuana dispensary registered under ORS 475B.450 to meet the concentration standards and
 14 packaging standards adopted by rule pursuant to this section.

15 (4) In adopting rules under ORS 475B.010 to 475B.395, the Oregon Liquor Control Commission
 16 shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts
 17 sold or transferred by a marijuana retailer that holds a license **issued** under ORS 475B.110 to meet
 18 the concentration standards and packaging standards adopted by rule pursuant to this section.

19 **SECTION 45.** ORS 475B.635 is amended to read:

20 475B.635. To ensure compliance with ORS 475B.600 to 475B.655 and any rule adopted under ORS
 21 475B.600 to 475B.655, the Oregon Liquor Control Commission may inspect the premises of a person
 22 that holds a license **issued** under ORS [475B.070, 475B.090, 475B.100 or 475B.110] **475B.010 to**
 23 **475B.395.**

24 **SECTION 46.** ORS 475B.645 is amended to read:

25 475B.645. Subject to the applicable provisions of ORS chapter 183, if the applicant or licensee
 26 violates [a provision of] ORS 475B.600 to 475B.655 or a rule adopted under a provision of ORS
 27 475B.600 to 475B.655, the Oregon Liquor Control Commission may refuse to issue or renew, or may
 28 suspend or revoke, a license issued under ORS [475B.070, 475B.090, 475B.100 or 475B.110] **475B.010**
 29 **to 475B.395.**

30 **SECTION 47.** ORS 475B.800, as amended by section 31, chapter 24, Oregon Laws 2016, is
 31 amended to read:

32 475B.800. (1) The governing body of a city or county may adopt ordinances to be referred to the
 33 electors of the city or county as described in subsection (2) of this section that prohibit or allow the
 34 establishment of any one or more of the following in the area subject to the jurisdiction of the city
 35 or in the unincorporated area subject to the jurisdiction of the county:

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

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

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

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

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

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

42 (g) Any combination of the entities described in this subsection.

43 (2) If the governing body of a city or county adopts an ordinance under this section, the gov-
 44 erning body shall submit the measure of the ordinance to the electors of the city or county for ap-
 45 proval at the next statewide general election.

1 (3) If the governing body of a city or county adopts an ordinance under this section, the gov-
 2 erning body must provide the text of the ordinance:

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

6 (b) To the Oregon Liquor Control Commission, if the ordinance concerns a premises for which
 7 a license has been issued under ORS [475B.070, 475B.090, 475B.100 or 475B.110] **475B.010 to**
 8 **475B.395.**

9 (4)(a) Upon receiving notice of a prohibition under subsection (3) of this section, the authority
 10 shall discontinue registering those entities to which the prohibition applies until the date of the next
 11 statewide general election.

12 (b) Upon receiving notice of a prohibition (b) under subsection (3) of this section, the commission
 13 shall discontinue licensing those premises to which the prohibition applies until the date of the next
 14 statewide general election.

15 (5)(a) If an allowance is approved at the next statewide general election under subsection (2)
 16 of this section, and the allowance concerns an entity described in subsection (1)(a) or (b) of this
 17 section, the authority shall begin registering the entity to which the allowance applies on the first
 18 business day of the January immediately following the date of the statewide general election.

19 (b) If an allowance is approved at the next statewide general election under subsection (2) of
 20 this section, and the allowance concerns an entity described in subsection (1)(c) to (f) of this section,
 21 the commission shall begin licensing the premises to which the allowance applies on the first busi-
 22 ness day of the January immediately following the date of the next statewide general election.

23 (6) Notwithstanding any other provisions of law, a city or county that adopts an ordinance under
 24 this section that prohibits the establishment of an entity described in subsection (1) of this section
 25 may not impose a tax or fee on the production, processing or sale of marijuana or any product into
 26 which marijuana has been incorporated.

27 (7) Notwithstanding subsection (1) of this section, a medical marijuana dispensary is not subject
 28 to an ordinance adopted under this section if the medical marijuana dispensary:

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

31 (b) Has successfully completed a city or county land use application process.

32 (8) Notwithstanding subsection (1) of this section, a marijuana processing site is not subject to
 33 an ordinance adopted under this section if the marijuana processing site:

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

36 (b) Has successfully completed a city or county land use application process.

37 **SECTION 48.** Section 22, chapter 23, Oregon Laws 2016, is amended to read:

38 **Sec. 22.** (1) In addition to the powers granted nonprofit corporations under ORS 65.077 and
 39 65.081, a medical marijuana dispensary that is owned by a nonprofit corporation organized under
 40 ORS chapter 65 may receive by gift, devise or bequest:

41 (a) Usable marijuana, immature marijuana plants and seeds from registry identification
 42 cardholders, designated primary caregivers, persons responsible for marijuana grow sites, [persons
 43 who] **marijuana producers that** hold a license **issued** under ORS 475B.070 and [persons who] **re-**
 44 **searchers of cannabis that** hold a certificate **issued** under ORS 475B.235; and

45 (b) Medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts from per-

1 sons responsible for marijuana processing sites, [*persons who*] **marijuana processors that** hold a
 2 license **issued** under ORS 475B.090 and [*persons who*] **researchers of cannabis that** hold a certifi-
 3 cate under ORS 475B.235.

4 (2) If a registry identification cardholder's annual income is at or below the federal poverty
 5 guidelines, a medical marijuana dispensary that is owned by a nonprofit corporation organized under
 6 ORS chapter 65 shall dispense usable marijuana, immature marijuana plants, seeds, medical
 7 cannabinoid products, cannabinoid concentrates and cannabinoid extracts to that registry identifi-
 8 cation cardholder or the designated primary caregiver of that registry identification cardholder free
 9 of charge or at a discounted price.

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

11 **SECTION 49.** Section 22, chapter 24, Oregon Laws 2016, is amended to read:

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

14 (a) The address of a premises for which a license has been issued or for which an applicant has
 15 proposed [*to be licensed*] **licensure** under ORS 475B.070, 475B.090 or 485B.100;

16 (b) Is related to the security plan or the operational plan for a premises for which a license has
 17 been issued or for which an applicant has proposed [*to be licensed*] **licensure** under ORS [*475B.070,*
 18 *475B.090, 485B.100 or 475B.110*] **475B.010 to 475B.395**; or

19 (c) Is related to any record that the Oregon Liquor Control Commission determines contains
 20 proprietary information of a person [*who*] **that** holds a license **issued** under ORS [*475B.070,*
 21 *475B.090, 485B.100 or 475B.110*] **475B.010 to 475B.395**.

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

24 **SECTION 50.** Section 25, chapter 24, Oregon Laws 2016, is amended to read:

25 **Sec. 25.** (1) The Oregon Liquor Control Commission shall adopt by rule procedures by which:

26 (a) A person responsible for a marijuana grow site registered under ORS 475B.420, or, if multiple
 27 persons responsible for a marijuana grow site registered under ORS 475B.420 are located at the
 28 same address, each person responsible for a marijuana grow site located at the address, may apply
 29 for a license **to be issued** under ORS 475B.070 to transition from being registered by the Oregon
 30 Health Authority to being licensed by the commission;

31 (b) A marijuana processing site registered under ORS 475B.435 may apply for a license **to be**
 32 **issued** under ORS 475B.090 to transition from being registered by the authority to being licensed
 33 by the commission; and

34 (c) A medical marijuana dispensary registered under ORS 475B.450 may apply for a license **to**
 35 **be issued** under ORS 475B.110 to transition from being registered by the authority to being licensed
 36 by the commission.

37 (2)(a) In adopting rules under this section, the commission shall adopt, at a minimum, procedures
 38 by which the inventory possessed by a person responsible for a marijuana grow site, a marijuana
 39 processing site or a medical marijuana dispensary on the date on which the person responsible for
 40 a marijuana grow site, the marijuana processing site or the medical marijuana dispensary is first
 41 subject to tracking by the commission under ORS 475B.150:

42 (A) May be delivered to a premises for which a license has been issued under ORS 475B.090,
 43 475B.100 or 475B.110; or

44 (B) May be sold to consumers by marijuana retailers that hold a license **issued** under ORS
 45 475B.110.

(b) Procedures adopted under this subsection must require a person responsible for a marijuana grow site registered under ORS 475B.420, or, if multiple persons responsible for a marijuana grow site registered under ORS 475B.420 are located at the same address, each person responsible for a marijuana grow site located at the address, to return to an individual to whom a registry identification card has been issued under ORS 475B.415, and for whom the person or persons are producing marijuana, all the marijuana and usable marijuana owned by the individual, except as otherwise allowed under a personal agreement entered into under ORS 475B.425, at the time that the person or the persons receive a license under ORS 475B.070.

SECTION 51. Section 30, chapter 24, Oregon Laws 2016, is amended to read:

Sec. 30. (1) The governing body of a city or county may repeal an ordinance that prohibits the establishment of any one or more of the following in the area subject to the jurisdiction of the city or in the unincorporated area subject to the jurisdiction of the county:

- (a) Marijuana processing sites registered under ORS 475B.435;
- (b) Medical marijuana dispensaries registered under ORS 475B.450;
- (c) Marijuana producers [*licensed*] **that hold a license issued** under ORS 475B.070;
- (d) Marijuana processors [*licensed*] **that hold a license issued** under ORS 475B.090;
- (e) Marijuana wholesalers [*licensed*] **that hold a license issued** under ORS 475B.100;
- (f) Marijuana retailers [*licensed*] **that hold a license issued** under ORS 475B.110; or
- (g) Any combination of the entities described in this subsection.

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

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

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

SECTION 52. Section 47, chapter 24, Oregon Laws 2016, is amended to read:

Sec. 47. (1) Except for licensees and licensee representatives acting in accordance with ORS 475B.010 to 475B.395, and any rule adopted under ORS 475B.010 to 475B.395, it is unlawful for any person under 21 years of age to knowingly or intentionally possess:

(a) An amount of marijuana plants in excess of the amount of marijuana plants allowed under ORS 475B.245 (1).

(b) More than one ounce of usable marijuana in a public place.

(c) More than eight ounces of usable marijuana.

(d) More than 16 ounces of cannabinoid products in solid form or cannabinoid concentrates.

(e) More than 72 ounces of cannabinoid products in liquid form.

(f) More than one ounce of cannabinoid extracts.

(g) A cannabinoid extract that was not purchased from a marijuana retailer that holds a license **issued** under ORS 475B.110.

(2) A violation of this section is a Class A misdemeanor.

SECTION 53. Section 2, chapter 97, Oregon Laws 2016, is amended to read:

Sec. 2. A financial institution that provides financial services customarily provided by financial institutions pursuant to powers granted by ORS 717.200 to 717.320, 717.900 and 717.905, the Bank Act or [by] ORS chapter 723 to a marijuana processing site registered under ORS 475B.435, a med-

1 ical marijuana dispensary registered under ORS 475B.450, a marijuana producer that holds a license
 2 **issued** under ORS 475B.070, a marijuana processor that holds a license **issued** under ORS 475B.090,
 3 a marijuana wholesaler that holds a license **issued** under ORS 475B.100, a marijuana retailer that
 4 holds a license **issued** under ORS 475B.110, a laboratory that holds a license under ORS 475B.560
 5 or a person to whom a permit has been issued under ORS 475B.218 is exempt from any criminal law
 6 of this state an element of which may be proven by substantiating that a person provides financial
 7 services customarily provided by financial institutions pursuant to powers granted by ORS 717.200
 8 to 717.320, 717.900 and 717.905, the Bank Act or ORS chapter 723 to a person [*who*] **that** possesses,
 9 delivers or manufactures marijuana or [*marijuana derived*] **marijuana-derived** products.

10 **SECTION 54.** Section 3, chapter 97, Oregon Laws 2016, is amended to read:

11 **Sec. 3.** (1) Notwithstanding any law relating to the exemption of information from public dis-
 12 closure under ORS 475B.010 to 475B.395 or 475B.550 to 475B.590, upon the request of a financial
 13 institution, the Oregon Liquor Control Commission shall provide to the financial institution the fol-
 14 lowing information:

15 (a) Whether a person with whom the financial institution is doing business holds a license **is-**
 16 **sued** under ORS [*475B.070, 475B.090, 475B.100, 475B.110*] **475B.010 to 475B.395** or 475B.560 or a
 17 permit **issued** under ORS 475B.218;

18 (b) The name of any other business or individual affiliated with the person;

19 (c) A copy of the application, and any supporting documentation submitted with the application,
 20 for a license or a permit submitted by the person;

21 (d) If applicable, data relating to sales and the volume of product sold by the person;

22 (e) Whether the person is currently compliant with the provisions of ORS 475B.010 to 475B.395,
 23 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted under ORS 475B.010 to 475B.395,
 24 475B.550 to 475B.590 and 475B.600 to 475B.655;

25 (f) Any past or pending violation by the person of a provision of ORS 475B.010 to 475B.395,
 26 475B.550 to 475B.590 or 475B.600 to 475B.655 or a rule adopted under ORS 475B.010 to 475B.395,
 27 475B.550 to 475B.590 or 475B.600 to 475B.655; and

28 (g) Any penalty imposed upon the person for violating a provision of ORS 475B.010 to 475B.395,
 29 475B.550 to 475B.590 or 475B.600 to 475B.655 or a rule adopted under ORS 475B.010 to 475B.395,
 30 475B.550 to 475B.590 or 475B.600 to 475B.655.

31 (2) Upon receiving a request under subsection (1) of this section, the commission shall provide
 32 the requesting financial institution with the requested information.

33 (3) The commission may charge a financial institution a reasonable fee to cover the adminis-
 34 trative costs of providing information under this section.

35 **SECTION 55.** **The unit captions used in this 2017 Act are provided only for the conven-**
 36 **ience of the reader and do not become part of the statutory law of this state or express any**
 37 **legislative intent in the enactment of this 2017 Act.**