

Senate Bill 300

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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**.

Establishes Oregon Cannabis Commission to fulfill duties, functions and powers relating to medical use of marijuana.

Directs Oregon Health Authority to transfer duties, functions and powers relating to Oregon Medical Marijuana Act to commission.

Makes commission operative January 1, 2018.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to cannabis; creating new provisions; amending ORS 475B.245, 475B.358, 475B.375, 475B.410,
3 475B.415, 475B.418, 475B.420, 475B.423, 475B.428, 475B.430, 475B.433, 475B.435, 475B.438,
4 475B.440, 475B.450, 475B.453, 475B.455, 475B.458, 475B.460, 475B.462, 475B.464, 475B.468,
5 475B.469, 475B.470, 475B.475, 475B.490, 475B.495, 475B.505, 475B.507, 475B.510, 475B.517,
6 475B.525, 475B.555, 475B.605, 475B.610, 475B.615, 475B.620, 475B.625, 475B.640, 475B.650 and
7 475B.800 and sections 2, 13, 14, 20 and 22, chapter 23, Oregon Laws 2016, sections 25 and 30,
8 chapter 24, Oregon Laws 2016, section 9, chapter 71, Oregon Laws 2016, sections 2, 6, 22, 26 and
9 29, chapter 83, Oregon Laws 2016, and section 4, chapter 97, Oregon Laws 2016; repealing ORS
10 475B.520; and declaring an emergency.

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

ESTABLISHING OREGON CANNABIS COMMISSION

12
13 (Establishment; appointment; term; confirmation; per diem)
14
15

16 **SECTION 1.** Sections 2 and 4 to 9 of this 2017 Act are added to and made a part of ORS
17 475B.400 to 475B.525.

18 **SECTION 2.** (1) The Oregon Cannabis Commission is established. The commission con-
19 sists of nine members appointed by the Governor as follows:

20 (a) One registry identification cardholder from each of the following regions of the state:

21 (A) The northeast part of this state;

22 (B) The southeast part of this state;

23 (C) The northwest part of this state; and

24 (D) The southwest part of this state;

25 (b) An attending physician who has diagnosed a person as having a debilitating medical
26 condition for which the medical use of marijuana may mitigate the symptoms or effects;

27 (c) A person who holds a marijuana grow site registration card under ORS 475B.420;

28 (d) A designated primary caregiver;

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 (e) A medical marijuana dispensary owner; and
- 2 (f) A person certified under ORS 475B.235 to conduct research.

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

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

10 (4) A member of the commission is entitled to compensation and expenses as provided in
11 ORS 292.495.

12 **SECTION 3.** Notwithstanding the term of office specified by section 2 of this 2017 Act,
13 of the members first appointed to the Oregon Cannabis Commission:

- 14 (1) Two shall serve for terms ending January 1, 2019.
- 15 (2) Two shall serve for terms ending January 1, 2020.
- 16 (3) Two shall serve for terms ending January 1, 2021.
- 17 (4) Three shall serve for terms ending January 1, 2022.

18
19 (Qualification of members)

20
21 **SECTION 4.** The members of the Oregon Cannabis Commission must be residents of this
22 state who are well informed on the principles of the medical use of marijuana to treat de-
23 bilitating medical conditions.

24
25 (Officers of the Oregon Cannabis Commission; quorum; meetings)

26
27 **SECTION 5.** (1) The Oregon Cannabis Commission shall select one of its members as
28 chairperson and another as vice chairperson, for terms and with duties and powers necessary
29 for the performance of the functions of the offices as the commission determines.

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

32 (3) The commission shall meet at least once every month at a time and place determined
33 by the commission. The commission also may meet at other times and places specified by the
34 call of the chairperson or of a majority of the members of the commission.

35
36 (Primary functions)

37
38 **SECTION 6.** In fulfilling the duties set forth under ORS 475B.400 to 475B.525, the Oregon
39 Cannabis Commission shall:

40 (1) Coordinate with the Oregon Liquor Control Commission on regulating registrants
41 under ORS 475B.400 to 475B.525 and regulating licensees under ORS 475B.010 to 475B.395;

42 (2) Enter into agreements with the Oregon Liquor Control Commission by which the
43 Oregon Liquor Control Commission delegates to the Oregon Cannabis Commission all duties
44 and functions of the Oregon Liquor Control Commission under ORS 475B.010 to 475B.395 the
45 delegation of which the Oregon Liquor Control Commission and the Oregon Cannabis Com-

1 mission find proper;

2 (3) Facilitate unbiased research on the medical, agronomic and other properties of
3 marijuana;

4 (4) Identify and evaluate potential factors that could prevent a registered cardholder
5 from accessing marijuana for medical use;

6 (5) Develop methods to ensure that registered cardholders have access to marijuana for
7 medical use;

8 (6) Compile information regarding the availability of:

9 (a) Cannabinoid concentrates and extracts that contain tetrahydrocannabinol, as com-
10 pared to the availability of cannabinoid concentrates and extracts that do not;

11 (b) Medical cannabinoid products that contain high levels of tetrahydrocannabinol; and

12 (c) Medical cannabinoid products for medical use by a person who is on post-prison
13 supervision, parole or probation; and

14 (7) Monitor and study federal regulations regarding marijuana.

15
16 (Employees)

17
18 **SECTION 7.** (1) The Oregon Cannabis Commission shall appoint a director to serve at the
19 pleasure of the commission, with the following qualifications:

20 (a) Knowledge of debilitating medical conditions; and

21 (b) Knowledge of the medical use of marijuana to mitigate the symptoms or effects of a
22 debilitating medical condition.

23 (2) The designation of the director must be by written order, filed with the Secretary of
24 State.

25 (3) Subject to any applicable provisions of ORS chapter 240, the director shall appoint all
26 subordinate officers and employees of the commission, prescribe their duties and fix their
27 compensation.

28
29 (Oaths; witnesses; subpoenas)

30
31 **SECTION 8.** The chairperson, the director and authorized representatives of the Oregon
32 Cannabis Commission may administer oaths, take depositions and issue subpoenas to compel
33 the attendance of witnesses and the production of documents or other written information
34 necessary to carry out the provisions of ORS 475B.400 to 475B.525. If any person fails to
35 comply with a subpoena issued under this section or refuses to testify on matters on which
36 the person lawfully may be interrogated, the procedure set out in ORS 183.440 shall be fol-
37 lowed to compel obedience.

38
39 (Advisory and technical committees)

40
41 **SECTION 9.** (1) The Oregon Cannabis Commission may establish any advisory or techni-
42 cal committee the commission considers necessary to aid and advise the commission in the
43 performance of its functions. The committees may be continuing or temporary committees.
44 The commission shall determine the representation, membership, terms and organization of
45 the committees and shall appoint the members of the committees.

1 (2) Members of the committees are not entitled to compensation but, in the discretion
2 of the commission, may be reimbursed from funds available to the commission for actual and
3 necessary travel and other expenses incurred by the members in the performance of official
4 duties in the manner and amount provided in ORS 292.495.

5
6 **TRANSFER OF DUTIES, FUNCTIONS AND POWERS TO**
7 **OREGON CANNABIS COMMISSION**

8
9 **SECTION 10.** The duties, functions and powers of the Oregon Health Authority relating
10 to the Oregon Medical Marijuana Act under ORS 475B.400 to 475B.525 are imposed upon,
11 transferred to and vested in Oregon Cannabis Commission.

12
13 **(Records, property, employees)**

14
15 **SECTION 11.** (1) The Director of the Oregon Health Authority shall:

16 (a) Deliver to the Oregon Cannabis Commission all records and property within the ju-
17 risdiction of the director that relate to the duties, functions and powers transferred by sec-
18 tion 10 of this 2017 Act; and

19 (b) Transfer to the commission those employees engaged primarily in the exercise of the
20 duties, functions and powers transferred by section 10 of this 2017 Act.

21 (2) The director shall take possession of the records and property, and shall take charge
22 of the employees and employ them in the exercise of the duties, functions and powers
23 transferred by section 10 of this 2017 Act, without reduction of compensation but subject to
24 change or termination of employment or compensation as provided by law.

25 (3) The Governor shall resolve any dispute between the authority and the commission
26 relating to transfers of records, property and employees under this section, and the
27 Governor's decision is final.

28
29 **(Unexpended revenues)**

30
31 **SECTION 12.** (1) The unexpended balances of amounts authorized to be expended by the
32 Oregon Health Authority for the biennium beginning July 1, 2016, from revenues dedicated,
33 continuously appropriated, appropriated or otherwise made available for the purpose of ad-
34 ministering and enforcing the duties, functions and powers transferred by section 10 of this
35 2017 Act are transferred to and are available for expenditure by the Oregon Cannabis Com-
36 mission for the biennium beginning July 1, 2017, for the purpose of administering and en-
37 forcing the duties, functions and powers transferred by section 10 of this 2017 Act.

38 (2) The expenditure classifications, if any, established by Acts authorizing or limiting
39 expenditures by the authority remain applicable to expenditures by the commission under
40 this section.

41
42 **(Action, proceeding, prosecution)**

43
44 **SECTION 13.** The transfer of duties, functions and powers to the Oregon Cannabis Com-
45 mission by section 10 of this 2017 Act does not affect any action, proceeding or prosecution

1 involving or with respect to the duties, functions and powers begun before and pending at
 2 the time of the transfer, except that the commission is substituted for the Oregon Health
 3 Authority in the action, proceeding or prosecution.

4
 5 (Liability, duty, obligation)
 6

7 **SECTION 14.** (1) Nothing in sections 2 to 9 of this 2017 Act, and the amendments to
 8 statutes and session law by sections 17 to 71 of this 2017 Act and the repeal of ORS 475B.520
 9 by section 72 of this 2017 Act relieves a person of a liability, duty or obligation accruing un-
 10 der or with respect to the duties, functions and powers transferred by section 10 of this 2017
 11 Act. The Oregon Cannabis Commission may undertake the collection or enforcement of any
 12 such liability, duty or obligation.

13 (2) The rights and obligations of the Oregon Health Authority legally incurred under
 14 contracts, leases and business transactions executed, entered into or begun before the op-
 15 erative date of sections 2 to 9 of this 2017 Act, the amendments to statutes and session law
 16 by sections 17 to 71 of this 2017 Act and the repeal of ORS 475B.520 by section 72 of this 2017
 17 Act accruing under or with respect to the duties, functions and powers transferred by sec-
 18 tion 10 of this 2017 Act are transferred to the commission. For the purpose of succession to
 19 these rights and obligations, the commission is a continuation of the Oregon Health Au-
 20 thority and not a new authority.

21
 22 (Rules)
 23

24 **SECTION 15.** Notwithstanding the transfer of duties, functions and powers by section 10
 25 of this 2017 Act, the rules of the Oregon Health Authority with respect to such duties,
 26 functions or powers that are in effect on the operative date specified in section 73 of this 2017
 27 Act continue in effect until superseded or repealed by rules of the Oregon Cannabis Com-
 28 mission. References in the rules of the authority to the authority or an officer or employee
 29 of the authority are considered to be references to the commission or an officer or employee
 30 of the commission.

31 **SECTION 16.** Whenever, in any uncodified law or resolution of the Legislative Assembly
 32 or in any rule, document, record or proceeding authorized by the Legislative Assembly, in
 33 the context of the duties, functions and powers transferred by section 10 of this 2017 Act,
 34 reference is made to the Oregon Health Authority, or an officer or employee of the author-
 35 ity, whose duties, functions or powers are transferred by section 10 of this 2017 Act, the
 36 reference is considered to be a reference to the Oregon Cannabis Commission or an officer
 37 or employee of the commission who by this 2017 Act is charged with carrying out the duties,
 38 functions or powers.

39
 40 **CONFORMING AMENDMENTS**
 41

42 **SECTION 17.** ORS 475B.358 is amended to read:

43 475B.358. A person may not sue the Oregon Liquor Control Commission or a member of the
 44 [commission] **Oregon Liquor Control Commission**, the State Department of Agriculture or the
 45 Oregon [Health Authority] **Cannabis Commission**, or any employee of the [commission] **Oregon**

1 **Liquor Control Commission**, department or [authority] **Oregon Cannabis Commission**, for per-
 2 forming or omitting to perform any duty, function or power of the [commission] **Oregon Liquor**
 3 **Control Commission**, department or [authority] **Oregon Cannabis Commission** set forth in ORS
 4 475B.010 to 475B.395 or in any other law of this state requiring the [commission] **Oregon Liquor**
 5 **Control Commission**, department or [authority] **Oregon Cannabis Commission** to perform a duty,
 6 function or power related to marijuana.

7 **SECTION 18.** ORS 475B.375, as amended by section 6, chapter 23, Oregon Laws 2016, and sec-
 8 tion 14, chapter 83, Oregon Laws 2016, is amended to read:

9 475B.375. Except for ORS 475B.370 and 475B.373, ORS 475B.010 to 475B.395:

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

12 (2) Do not amend or affect duties, functions and powers of the Oregon [Health Authority]
 13 **Cannabis Commission** under the Oregon Medical Marijuana Act.

14 **SECTION 19.** ORS 475B.410 is amended to read:

15 475B.410. As used in ORS 475B.400 to 475B.525:

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

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

20 (3) "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 solvent, such as vegetable
 24 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 [Health Authority] **Cannabis Commission**, in
 28 consultation with the Oregon Liquor Control Commission, by rule.

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

31 (5) "Cannabinoid extract" means a substance obtained by separating cannabinoids from
 32 marijuana by:

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

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

37 (c) Any other process identified by the Oregon [Health Authority] **Cannabis Commission**, in
 38 consultation with the Oregon Liquor Control Commission, by rule.

39 (6) "Debilitating medical condition" means:

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

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

45 (A) Cachexia;

- 1 (B) Severe pain;
- 2 (C) Severe nausea;
- 3 (D) Seizures, including seizures caused by epilepsy; or
- 4 (E) Persistent muscle spasms, including spasms caused by multiple sclerosis;
- 5 (c) Post-traumatic stress disorder; or
- 6 (d) Any other medical condition or side effect related to the treatment of a medical condition
- 7 adopted by the Oregon [*Health Authority*] **Cannabis Commission** by rule or approved by the [*au-*
- 8 *thority*] **commission** pursuant to a petition filed under ORS 475B.517.
- 9 (7)(a) “Delivery” has the meaning given that term in ORS 475.005.
- 10 (b) “Delivery” does not include transfer of marijuana by a registry identification cardholder to
- 11 another registry identification cardholder if no consideration is paid for the transfer.
- 12 (8)(a) “Designated primary caregiver” means an individual:
- 13 (A) Who is 18 years of age or older;
- 14 (B) Who has significant responsibility for managing the well-being of a person who has been
- 15 diagnosed with a debilitating medical condition; and
- 16 (C) Who is designated as the person responsible for managing the well-being of a person who
- 17 has been diagnosed with a debilitating medical condition on that person’s application for a registry
- 18 identification card or in other written notification submitted to the [*authority*] **commission**.
- 19 (b) “Designated primary caregiver” does not include a person’s attending physician.
- 20 (9) “High heat” means a temperature exceeding 180 degrees.
- 21 (10) “Immature marijuana plant” means a marijuana plant that is not flowering.
- 22 (11)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant
- 23 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.
- 24 (b) “Marijuana” does not include industrial hemp, as defined in ORS 571.300.
- 25 (12) “Marijuana grow site” means a location registered under ORS 475B.420 where marijuana
- 26 is produced for use by a registry identification cardholder.
- 27 (13) “Marijuana processing site” means a marijuana processing site registered under ORS
- 28 475B.435 or a site for which an applicant has submitted an application for registration under ORS
- 29 475B.435.
- 30 (14) “Mature marijuana plant” means a marijuana plant that is not an immature marijuana
- 31 plant.
- 32 (15)(a) “Medical cannabinoid product” means a cannabinoid edible and any other product in-
- 33 tended for human consumption or use, including a product intended to be applied to a person’s skin
- 34 or hair, that contains cannabinoids or dried leaves or flowers of marijuana.
- 35 (b) “Medical cannabinoid product” does not include:
- 36 (A) Usable marijuana by itself;
- 37 (B) A cannabinoid concentrate by itself;
- 38 (C) A cannabinoid extract by itself; or
- 39 (D) Industrial hemp, as defined in ORS 571.300.
- 40 (16) “Medical marijuana dispensary” means a medical marijuana dispensary registered under
- 41 ORS 475B.450 or a site for which an applicant has submitted an application for registration under
- 42 ORS 475B.450.
- 43 (17) “Medical use of marijuana” means the production, processing, possession, delivery or ad-
- 44 ministration of marijuana, or use of paraphernalia used to administer marijuana, to mitigate the
- 45 symptoms or effects of a debilitating medical condition.

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

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

8 (20) “Production” means:

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

10 (b) Drying marijuana leaves or flowers.

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

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

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

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

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

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

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

23 **SECTION 20.** ORS 475B.415, as amended by section 9, chapter 24, Oregon Laws 2016, and sec-
 24 tion 1, chapter 107, Oregon Laws 2016, is amended to read:

25 475B.415. (1) The Oregon [*Health Authority*] **Cannabis Commission** shall establish a program
 26 for the issuance of registry identification cards to applicants who meet the requirements of this
 27 section.

28 (2) The [*authority*] **commission** shall issue a registry identification card to an applicant who is
 29 18 years of age or older if the applicant pays a fee in an amount established by the [*authority*]
 30 **commission** by rule and submits to the [*authority*] **commission** an application containing the fol-
 31 lowing information:

32 (a) Written documentation from the applicant’s attending physician stating that the attending
 33 physician has diagnosed the applicant as having a debilitating medical condition and that the med-
 34 ical use of marijuana may mitigate the symptoms or effects of the applicant’s debilitating medical
 35 condition;

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

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

38 (d) Proof of residency, submitted in a form required by the [*authority*] **commission** by rule;

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

41 (f) The information described in ORS 475B.420 (2), if the applicant is applying to produce
 42 marijuana or designate another person under ORS 475B.420 to produce marijuana.

43 (3)(a) The [*authority*] **commission** shall issue a registry identification card to an applicant who
 44 is under 18 years of age if:

45 (A) The applicant pays the fee and submits the application described in subsection (2) of this

1 section; and

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

4 (i) The applicant's attending physician has explained to the applicant and to the custodial parent
5 or legal guardian the possible risks and benefits of the medical use of marijuana;

6 (ii) The custodial parent or legal guardian consents to the medical use of marijuana by the ap-
7 plicant;

8 (iii) The custodial parent or legal guardian agrees to serve as the applicant's designated primary
9 caregiver; and

10 (iv) The custodial parent or legal guardian agrees to control the acquisition, dosage and fre-
11 quency of the medical use of marijuana by the applicant.

12 (b) An applicant who is under 18 years of age may not apply to produce marijuana under sub-
13 section (2)(f) of this section.

14 (4) The [authority] **commission** shall:

15 (a) On the date on which the [authority] **commission** receives an application described in sub-
16 section (2) of this section, issue a receipt to the applicant verifying that the [authority] **commission**
17 received an application under subsection (2) or (3) of this section; and

18 (b) Approve or deny an application received under subsection (2) or (3) of this section within
19 30 days after receiving the application.

20 (5)(a) If the [authority] **commission** approves an application, the [authority] **commission** shall
21 issue a serially numbered registry identification card to the applicant within five days after ap-
22 proving the application. The registry identification card must include the following information:

23 (A) The registry identification cardholder's name, address and date of birth;

24 (B) The issuance date and expiration date of the registry identification card;

25 (C) If the registry identification cardholder designated a primary caregiver under ORS 475B.418,
26 the name and address of the registry identification cardholder's designated primary caregiver; and

27 (D) Any other information required by the [authority] **commission** by rule.

28 (b) If the registry identification cardholder designated a primary caregiver under ORS 475B.418,
29 the [authority] **commission** shall issue an identification card to the designated primary caregiver.
30 The identification card must contain the information required by paragraph (a) of this subsection.

31 (6) A registry identification cardholder shall:

32 (a) In a form and manner prescribed by the [authority] **commission**, notify the [authority]
33 **commission** of any change concerning the registry identification cardholder's:

34 (A) Name, address or attending physician;

35 (B) Designated primary caregiver, including the designation of a primary caregiver made at a
36 time other than at the time of applying for or renewing a registry identification card; or

37 (C) Person responsible for a marijuana grow site, including the designation of a person respon-
38 sible for a marijuana grow site made at a time other than at the time of applying for or renewing
39 a registry identification card.

40 (b) Annually renew the registry identification card by paying a fee in an amount established by
41 the [authority] **commission** by rule and submitting to the [authority] **commission** an application
42 that contains the following information:

43 (A) Updated written documentation from the registry identification cardholder's attending phy-
44 sician stating that the registry identification cardholder still has a debilitating medical condition
45 and that the medical use of marijuana may mitigate the symptoms or effects of the registry iden-

1 tification cardholder's debilitating medical condition;

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

3 (C) If the registry identification cardholder is under 18 years of age, a statement signed by the
4 custodial parent or legal guardian of the registry identification cardholder that meets the require-
5 ments of subsection (3) of this section.

6 (7) The [authority] **commission** shall:

7 (a) On the date on which the [authority] **commission** receives an application described in sub-
8 section (2) of this section, issue a receipt to the applicant verifying that the [authority] **commission**
9 received an application under subsection (6)(b) of this section; and

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

12 (8)(a) If the registry identification cardholder's attending physician determines that the registry
13 identification cardholder no longer has a debilitating medical condition, or determines that the
14 medical use of marijuana is contraindicated for the registry identification cardholder's debilitating
15 medical condition, the registry identification cardholder shall return the registry identification card
16 to the [authority] **commission** within 30 calendar days after receiving notice of the determination.

17 (b) If, because of circumstances beyond the control of the registry identification cardholder, a
18 registry identification cardholder is unable to obtain a second medical opinion about the registry
19 identification cardholder's continuing eligibility for the medical use of marijuana before having to
20 return the registry identification card to the [authority] **commission**, the [authority] **commission**
21 may grant the registry identification cardholder additional time to obtain a second medical opinion.

22 (9)(a) The [authority] **commission** may deny an application for a registry identification card or
23 an application to renew a registry identification card, or may suspend or revoke a registry identifi-
24 cation card, if:

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

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

29 (C) The [authority] **commission** determines that the applicant or registry identification
30 cardholder violated a provision of ORS 475B.400 to 475B.525 or a rule adopted under ORS 475B.400
31 to 475B.525.

32 (b) If a registry identification card is revoked, any associated identification card issued under
33 subsection (5)(b) of this section, or marijuana grow site registration card issued under ORS 475B.420
34 (6), shall also be revoked.

35 (c) A person whose application is denied, or whose registry identification card is revoked, under
36 this subsection may not reapply for a registry identification card for six months from the date of the
37 denial or revocation unless otherwise authorized by the [authority] **commission**.

38 (10)(a) The [authority] **commission** may deny a designation of a primary caregiver made under
39 ORS 475B.418, or suspend or revoke an associated identification card issued under subsection (5)(b)
40 of this section, if the [authority] **commission** determines that the designee or the registry identifi-
41 cation cardholder violated a provision of ORS 475B.400 to 475B.525 or a rule adopted under ORS
42 475B.400 to 475B.525.

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

1 **commission.**

2 (11)(a) Notwithstanding subsection (2) or (6)(b) of this section, if an applicant for a registry
3 identification card, or a registry identification cardholder applying for renewal of a registry iden-
4 tification card, submits to the [authority] **commission** proof of having served in the Armed Forces
5 of the United States, the [authority] **commission** may not impose a fee that is greater than \$20 for
6 the issuance or renewal of the registry identification card.

7 (b) Notwithstanding subsection (6)(b)(A) of this section, the requirement that a registry identifi-
8 cation cardholder include in the application to renew a registry identification card updated written
9 documentation from the cardholder's attending physician regarding the cardholder's continuing de-
10 bilitating medical condition does not apply to a service-disabled veteran who:

11 (A) Has been assigned a total and permanent disability rating for compensation that rates the
12 veteran as unable to secure or follow a substantially gainful occupation as a result of service-
13 connected disabilities as described in 38 C.F.R. 4.16; or

14 (B) Has a United States Department of Veterans Affairs total disability rating of 100 percent
15 as a result of an injury or illness that the veteran incurred, or that was aggravated, during active
16 military service and who received a discharge or release under other than dishonorable conditions.

17 (12) For any purpose described in ORS 475B.400 to 475B.525, including exemption from criminal
18 liability under ORS 475B.475, a receipt issued by the [authority] **commission** verifying that an ap-
19 plication has been submitted to the [authority] **commission** under subsection (2), (3) or (6)(b) of this
20 section has the same legal effect as a registry identification card for 30 days following the date on
21 which the receipt was issued to the applicant.

22 **SECTION 21.** ORS 475B.418 is amended to read:

23 475B.418. (1) If a person who is applying for a registry identification card under ORS 475B.415,
24 or who is a registry identification cardholder, chooses to designate, or to change the designation
25 of, a primary caregiver, the person must include the primary caregiver's name and address:

26 (a) On the person's application for a registry identification card;

27 (b) On the person's application to renew a registry identification card; or

28 (c) In a form and manner prescribed by the [authority] **Oregon Cannabis Commission**, in a
29 signed statement notifying the [Oregon Health Authority] **commission** of the designation.

30 (2) A registry identification cardholder may have only one designated primary caregiver at any
31 given time.

32 (3) If a registry identification cardholder who previously designated a primary caregiver chooses
33 to designate a different primary caregiver, the [authority] **commission** shall notify the previous
34 designee of the new designation and issue an identification card to the newly designated primary
35 caregiver.

36 **SECTION 22.** ORS 475B.420, as amended by section 5, chapter 24, Oregon Laws 2016, is
37 amended to read:

38 475B.420. (1)(a) The Oregon [Health Authority] **Cannabis Commission** shall establish by rule a
39 marijuana grow site registration system to track and regulate the production of marijuana by a
40 registry identification cardholder or a person designated by the registry identification cardholder to
41 produce marijuana for the registry identification cardholder.

42 (b) Except as provided in paragraph (c) of this subsection, a person may not produce marijuana
43 unless the person is registered under this section.

44 (c) Paragraph (b) of this subsection does not apply to the production of marijuana as provided
45 in ORS 475B.010 to 475B.395 or as otherwise provided for by the statutory laws of this state.

1 (2) Rules adopted under this section must require an applicant for a registry identification card,
2 or a registry identification cardholder who produces marijuana or who designates another person
3 to produce marijuana, to submit an application to the [authority] **commission** containing the fol-
4 lowing information at the time of making an application under ORS 475B.415 (2), renewing a registry
5 identification card under ORS 475B.415 (6)(b), or notifying the [authority] **commission** of a change
6 under ORS 475B.415 (6)(a):

7 (a) The name of the person responsible for the marijuana grow site;

8 (b) Proof that the person is 21 years of age or older;

9 (c) The address of the marijuana grow site; and

10 (d) Any other information that the [authority] **commission** considers necessary to track the
11 production of marijuana under ORS 475B.400 to 475B.525.

12 (3)(a) The [authority] **commission** shall conduct a criminal records check under ORS 181A.195
13 of any person whose name is submitted under this section as the person responsible for a marijuana
14 grow site.

15 (b) A person convicted of a Class A or Class B felony under ORS 475.752 to 475.920 for the
16 manufacture or delivery of a controlled substance in Schedule I or Schedule II may not act as or
17 be designated a person responsible for a marijuana grow site for two years from the date of con-
18 viction.

19 (c) A person convicted more than once of a Class A or Class B felony under ORS 475.752 to
20 475.920 for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may
21 not act as or be designated a person responsible for a marijuana grow site.

22 (4) Subject to subsection (11) of this section, the [authority] **commission** shall issue a marijuana
23 grow site registration card if the requirements of subsections (2) and (3) of this section are met.

24 (5) A person who holds a marijuana grow site registration card under this section must display
25 the card at the marijuana grow site at all times.

26 (6) A marijuana grow site registration card must be obtained and posted for each registry
27 identification cardholder for whom marijuana is being produced at a marijuana grow site.

28 (7)(a) All seeds, immature marijuana plants, mature marijuana plants and usable marijuana as-
29 sociated with the production of marijuana for a registry identification cardholder by a person re-
30 sponsible for a marijuana grow site are the property of the registry identification cardholder.

31 (b) All seeds, immature marijuana plants, mature marijuana plants and usable marijuana asso-
32 ciated with the production of marijuana for a registry identification cardholder by a person re-
33 sponsible for a marijuana grow site must be transferred to the registry identification cardholder
34 upon the request of the registry identification cardholder.

35 (c) All usable marijuana associated with the production of marijuana for a registry identification
36 cardholder by a person responsible for a marijuana grow site must be transferred to a marijuana
37 processing site upon the request of the registry identification cardholder. For purposes of this par-
38 agraph, a request to transfer usable marijuana constitutes an assignment of the right to possess the
39 usable marijuana.

40 (d) All seeds, immature marijuana plants and usable marijuana associated with the production
41 of marijuana for a registry identification cardholder by a person responsible for a marijuana grow
42 site must be transferred to a medical marijuana dispensary upon request of the registry identifica-
43 tion cardholder. For purposes of this paragraph, a request to transfer seeds, immature marijuana
44 plants or usable marijuana constitutes an assignment of the right to possess the seeds, immature
45 marijuana plants or usable marijuana.

1 (e) Information related to transfers made under this subsection must be submitted to the [*au-*
2 *thority*] **commission** in the manner required by ORS 475B.423.

3 (8) A registry identification cardholder, or the designated caregiver of a registry identification
4 cardholder, may reimburse a person responsible for a marijuana grow site for all costs associated
5 with the production of marijuana for the registry identification cardholder.

6 (9) The [*authority*] **commission** may inspect:

7 (a) The marijuana grow site of a person designated to produce marijuana by a registry identifi-
8 cation cardholder to ensure compliance with this section and ORS 475B.423 and 475B.428 and any
9 rule adopted under this section and ORS 475B.423 and 475B.428; and

10 (b) The records of the marijuana grow site of a person designated to produce marijuana by a
11 registry identification cardholder to ensure compliance with this section and ORS 475B.423 and any
12 rule adopted under this section and ORS 475B.423.

13 (10) The [*authority*] **commission** may refuse to register a registry identification cardholder or
14 a designee under this section or may suspend or revoke the registration of a person responsible for
15 a marijuana grow site if the [*authority*] **commission** determines that the applicant or the person
16 responsible for a marijuana grow site violated a provision of ORS 475B.400 to 475B.525, a rule
17 adopted under ORS 475B.400 to 475B.525 or an ordinance adopted pursuant to ORS 475B.500.

18 (11) The [*authority*] **commission** may require a person responsible for a marijuana grow site,
19 prior to issuing a marijuana grow site registration card under subsection (4) of this section, to pay
20 a fee reasonably calculated to pay costs incurred under this section and ORS 475B.423 and 475B.458.

21 **SECTION 23.** ORS 475B.423 is amended to read:

22 475B.423. (1) A person designated to produce marijuana by a registry identification cardholder
23 must submit to the Oregon [*Health Authority*] **Cannabis Commission**, in a form and manner estab-
24 lished by the [*authority*] **commission** by rule, the following information related to the production
25 of marijuana:

26 (a) The number of mature marijuana plants and immature marijuana plants, the amount of
27 marijuana leaves and flowers being dried, and the amount of usable marijuana, in the person's pos-
28 session;

29 (b) The number of mature marijuana plants and immature marijuana plants, and the amount of
30 usable marijuana, that the person transfers to each registry identification cardholder for whom the
31 person produces marijuana;

32 (c) The amount of usable marijuana that the person transfers to each marijuana processing site;
33 and

34 (d) The number of immature marijuana plants, and the amount of usable marijuana, that the
35 person transfers to each medical marijuana dispensary.

36 (2) The [*authority*] **commission** shall by rule require a person designated to produce marijuana
37 by a registry identification cardholder to submit the information described in subsection (1) of this
38 section once each month. The [*authority*] **commission** may not employ any method other than that
39 described in this section to obtain information related to the production of marijuana from a person
40 designated to produce marijuana by a registry identification cardholder.

41 (3) In addition to submitting the information as required by subsection (1) of this section, a
42 person designated to produce marijuana by a registry identification cardholder must keep a record
43 of the information described in subsection (1) of this section for two years after the date on which
44 the person submits the information to the [*authority*] **commission**.

45 **SECTION 24.** ORS 475B.428, as amended by section 23, chapter 24, Oregon Laws 2016, is

1 amended to read:

2 475B.428. (1) Subject to subsection (2) of this section, a registry identification cardholder and the
3 designated primary caregiver of the registry identification cardholder may jointly possess six or
4 fewer mature marijuana plants.

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

7 (b) A person who is designated to produce marijuana by a registry identification cardholder may
8 produce no more than six mature marijuana plants for a registry identification cardholder who
9 designates the person to produce marijuana.

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

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

14 (b) Subject to subsection (5) of this section, if each person responsible for a marijuana grow site
15 located at the address first registered with the Oregon [*Health Authority*] **Cannabis Commission**
16 under ORS 475B.420 before January 1, 2015, no more than the amount of mature marijuana plants
17 located at that address on December 31, 2014, in excess of 12 mature marijuana plants, not to exceed
18 24 mature marijuana plants, may be produced at the address.

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

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

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

28 (5) If the [*authority*] **commission** suspends or revokes the registration of a person responsible
29 for a marijuana grow site that is located at an address described in subsection (3)(b) or (4)(b) of this
30 section:

31 (a) No more than 12 mature marijuana plants may be subsequently produced at any address
32 described in subsection (3) of this section at which the person responsible for that marijuana grow
33 site produces marijuana.

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

37 (6) If a registry identification cardholder who designated a person to produce marijuana for the
38 registry identification cardholder pursuant to ORS 475B.420 terminates the designation, the person
39 responsible for the marijuana grow site whose designation has been terminated may not be desig-
40 nated to produce marijuana by another registry identification cardholder, except that the person
41 may be designated by another registry identification cardholder if no more than 48 mature
42 marijuana plants are produced at the address for the marijuana grow site at which the person
43 produces marijuana.

44 (7) Subject to the limits described in subsections (2) to (6) of this section, if multiple persons
45 responsible for a marijuana grow site under ORS 475B.420 are located at the same address, the

1 persons designated to produce marijuana by registry identification cardholders who are located at
2 that address may collectively produce mature marijuana plants for any number of registry identifi-
3 cation cardholders who designate the persons to produce marijuana.

4 (8) If a law enforcement officer determines that a registry identification cardholder, the desig-
5 nated primary caregiver of a registry identification cardholder, or a person responsible for a
6 marijuana grow site under ORS 475B.420 who grows marijuana for a registry identification
7 cardholder, possesses a number of mature marijuana plants in excess of the quantities specified in
8 this section, the law enforcement officer may confiscate only the excess number of mature marijuana
9 plants.

10 **SECTION 25.** ORS 475B.430 is amended to read:

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

14 (2) Subject to subsection (3) of this section, a person designated to produce marijuana by a
15 registry identification cardholder may possess the amount of usable marijuana that the person har-
16 vests from the person's mature marijuana plants, provided that the person may not possess usable
17 marijuana in excess of the amount of usable marijuana in the person's possession as reported to the
18 Oregon [*Health Authority*] **Cannabis Commission** under ORS 475B.423.

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

21 (a) For a marijuana growsite located outdoors, 12 pounds of usable marijuana per mature
22 marijuana plant; or

23 (b) For a marijuana growsite located indoors, six pounds of usable marijuana per mature
24 marijuana plant.

25 **SECTION 26.** ORS 475B.433 is amended to read:

26 475B.433. A person to whom a registry identification card has been issued under ORS 475B.415
27 (5)(a), an identification card has been issued under ORS 475B.415 (5)(b), or a marijuana grow site
28 registration card has been issued under ORS 475B.420, may not possess marijuana, usable marijuana,
29 medical cannabinoid products, cannabinoid concentrates or cannabinoid extracts in a location other
30 than the address on file with the Oregon [*Health Authority*] **Cannabis Commission** unless the per-
31 son is carrying the card.

32 **SECTION 27.** ORS 475B.435, as amended by section 6, chapter 24, Oregon Laws 2016, is
33 amended to read:

34 475B.435. (1)(a) The Oregon [*Health Authority*] **Cannabis Commission** shall establish by rule a
35 marijuana processing site registration system to track and regulate the processing of marijuana by
36 a person responsible for a marijuana processing site.

37 (b) Except as provided in paragraph (c) of this subsection, a person may not process marijuana
38 unless the person is registered under this section.

39 (c) Paragraph (b) of this subsection does not apply to the processing of marijuana as provided
40 in ORS 475B.010 to 475B.395 or as otherwise provided for by the statutory laws of this state.

41 (2) The registration system established under subsection (1) of this section must require an ap-
42 plicant for a marijuana processing site to submit an application to the [*authority*] **commission** that
43 includes:

44 (a) The name of the individual who owns the marijuana processing site or, if a business entity
45 owns the marijuana processing site, the name of each individual who has a financial interest in the

- 1 marijuana processing site;
- 2 (b) The name of the individual or individuals responsible for the marijuana processing site, if
3 different from the name of the individual who owns the marijuana processing site;
- 4 (c) The address of the marijuana processing site;
- 5 (d) Proof that each individual responsible for the marijuana processing site is 21 years of age
6 or older;
- 7 (e) Documentation, as required by the [authority] **commission** by rule, that demonstrates the
8 marijuana processing site meets the requirements of subsection (3) of this section; and
- 9 (f) Any other information that the [authority] **commission** considers necessary.
- 10 (3) To qualify for registration under this section, a marijuana processing site:
- 11 (a) May not be located in an area that is zoned for residential use if the marijuana processing
12 site processes cannabinoid extracts;
- 13 (b) Must be registered as a business, or have filed an application to register as a business, with
14 the office of the Secretary of State; and
- 15 (c) Must meet the requirements of any rule adopted by the [authority] **commission** under sub-
16 section (10) of this section.
- 17 (4)(a) The [authority] **commission** shall conduct a criminal records check under ORS 181A.195
18 for each individual named in an application under subsection (2) of this section.
- 19 (b) An individual convicted for the manufacture or delivery of a controlled substance in Sched-
20 ular I or Schedule II may not own or be responsible for a marijuana processing site for two years
21 from the date the individual is convicted.
- 22 (c) An individual convicted more than once for the manufacture or delivery of a controlled
23 substance in Schedule I or Schedule II may not own or be responsible for a marijuana processing
24 site.
- 25 (5) If a person submits the application required under subsection (2) of this section, if the
26 marijuana processing site identified in the application meets the requirements of this section and
27 any rules adopted under this section and if each individual named in the application passes the
28 criminal records check required under subsection (4) of this section, the [authority] **commission**
29 shall register the marijuana processing site and issue proof of registration. Proof of registration
30 must be displayed on the premises of the marijuana processing site at all times.
- 31 (6) A marijuana processing site that is registered under this section is not required to register
32 with the State Board of Pharmacy under ORS 475.125.
- 33 (7) The individual or individuals responsible for a marijuana processing site shall maintain doc-
34 umentation of each transfer of usable marijuana, medical cannabinoid products, cannabinoid con-
35 centrates and cannabinoid extracts.
- 36 (8) The [authority] **commission** may inspect:
- 37 (a) The premises of a proposed marijuana processing site or a registered marijuana processing
38 site to ensure compliance with this section and ORS 475B.438 and 475B.440 and any rules adopted
39 under this section and ORS 475B.438 and 475B.440; and
- 40 (b) The records of a registered marijuana processing site to ensure compliance with subsection
41 (7) of this section.
- 42 (9) Subject to the provisions of ORS chapter 183, the [authority] **commission** may refuse to
43 register an applicant under this section or may suspend or revoke the registration of a marijuana
44 processing site if the [authority] **commission** determines that the applicant, the owner of the
45 marijuana processing site, a person responsible for the marijuana processing site, or an employee

1 of the marijuana processing site, violated a provision of ORS 475B.400 to 475B.525, a rule adopted
2 under ORS 475B.400 to 475B.525 or an ordinance adopted pursuant to ORS 475B.500.

3 (10) The [authority] **commission** shall adopt rules to implement this section, including rules
4 that:

5 (a) Require a registered marijuana processing site to annually renew the registration for that
6 site;

7 (b) Establish fees for registering, and renewing the registration of, a marijuana processing site;

8 (c) Require that medical cannabinoid products, cannabinoid concentrates and cannabinoid ex-
9 tracts transferred by a marijuana processing site be tested to ensure the public health and safety;
10 and

11 (d) Impose any other standard on the operation of a marijuana processing site to ensure the
12 public health and safety.

13 **SECTION 28.** ORS 475B.438 is amended to read:

14 475B.438. (1) The Oregon [Health Authority] **Cannabis Commission** shall require by rule a
15 marijuana processing site to submit to the [authority] **commission** for inclusion in the database
16 developed and maintained pursuant to ORS 475B.458 the following information:

17 (a) The amount of usable marijuana transferred to the marijuana processing site;

18 (b) The amount and type of medical cannabinoid products transferred by the marijuana pro-
19 cessing site;

20 (c) The amount and type of cannabinoid concentrates transferred by the marijuana processing
21 site; and

22 (d) The amount and type of cannabinoid extracts transferred by the marijuana processing site.

23 (2) The [authority] **commission** by rule may require a marijuana processing site to submit to the
24 [authority] **commission** for inclusion in the database developed and maintained pursuant to ORS
25 475B.458 information that is in addition to the information described in subsection (1) of this section
26 as the [authority] **commission** considers necessary to fulfill the [authority's] **commission's** duties
27 under ORS 475B.435 (1). The [authority] **commission** may not employ any method other than that
28 described in this section to obtain information from a marijuana processing site.

29 **SECTION 29.** ORS 475B.440 is amended to read:

30 475B.440. (1) A marijuana processing site must meet any public health and safety standards es-
31 tablished by the Oregon [Health Authority] **Cannabis Commission** by rule related to:

32 (a) Cannabinoid edibles, if the marijuana processing site processes marijuana into cannabinoid
33 edibles;

34 (b) Cannabinoid concentrates, if the marijuana processing site processes marijuana into
35 cannabinoid concentrates;

36 (c) Cannabinoid extracts, if the marijuana processing site processes marijuana into cannabinoid
37 extracts; or

38 (d) Any other type of medical cannabinoid product identified by the [authority] **commission** by
39 rule, if the marijuana processing site processes marijuana into that type of medical cannabinoid
40 product.

41 (2) The [authority] **commission** shall adopt rules to implement this section.

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

44 475B.450. (1)(a) The Oregon [Health Authority] **Cannabis Commission** shall establish by rule a
45 medical marijuana dispensary registration system for the purpose of tracking and regulating the

1 transfer of:

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

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

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

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

12 (2) The registration system established under subsection (1) of this section must require an ap-
13 plicant for a medical marijuana dispensary to submit an application to the [authority] **commission**
14 that includes:

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

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

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

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

23 (e) Documentation, as required by the [authority] **commission** by rule, that demonstrates the
24 medical marijuana dispensary meets the requirements of subsection (3) of this section; and

25 (f) Any other information that the [authority] **commission** considers necessary.

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

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

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

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

31 (d) Except as provided under section 29, chapter 83, Oregon Laws 2016, may not be located
32 within 1,000 feet of:

33 (A) A public elementary or secondary school for which attendance is compulsory under ORS
34 339.020; or

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

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

38 (f) Must meet the requirements of any rule adopted by the [authority] **commission** under sub-
39 section (10) of this section.

40 (4)(a) The [authority] **commission** shall conduct a criminal records check under ORS 181A.195
41 for each individual named in an application submitted under subsection (2) of this section.

42 (b) An individual convicted for the manufacture or delivery of a controlled substance in Sched-
43 ular I or Schedule II may not own or be responsible for a medical marijuana dispensary for two years
44 from the date the individual is convicted.

45 (c) An individual convicted more than once for the manufacture or delivery of a controlled

1 substance in Schedule I or Schedule II may not own or be responsible for a medical marijuana
2 dispensary.

3 (5) If a person submits the application required under subsection (2) of this section, if the med-
4 ical marijuana dispensary identified in the application meets the requirements of this section and
5 any rules adopted under this section and if each individual named in the application passes the
6 criminal records check required under subsection (4) of this section, the [authority] **commission**
7 shall register the medical marijuana dispensary and issue proof of registration. Proof of registration
8 must be displayed on the premises of the medical marijuana dispensary at all times.

9 (6) A medical marijuana dispensary that is registered under this section is not required to reg-
10 ister with the State Board of Pharmacy under ORS 475.125.

11 (7) The individual or individuals responsible for a medical marijuana dispensary shall maintain
12 documentation of each transfer of usable marijuana, medical cannabinoid products, cannabinoid
13 concentrates, cannabinoid extracts, immature marijuana plants and seeds.

14 (8) The [authority] **commission** may inspect:

15 (a) The premises of a proposed medical marijuana dispensary or a registered medical marijuana
16 dispensary to ensure compliance with this section and ORS 475B.453 and any rules adopted under
17 this section or ORS 475B.453; and

18 (b) The records of a registered medical marijuana dispensary to ensure compliance with sub-
19 section (7) of this section.

20 (9) Subject to the provisions of ORS chapter 183, the [authority] **commission** may refuse to
21 register an applicant under this section or may suspend or revoke the registration of a medical
22 marijuana dispensary if the [authority] **commission** determines that the applicant, the owner of the
23 medical marijuana dispensary, a person responsible for the medical marijuana dispensary, or an
24 employee of the medical marijuana dispensary, violated a provision of ORS 475B.400 to 475B.525, a
25 rule adopted under ORS 475B.400 to 475B.525 or an ordinance adopted pursuant to ORS 475B.500.

26 (10) The [authority] **commission** shall adopt rules to implement this section, including rules
27 that:

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

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

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

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

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

39 **SECTION 31.** ORS 475B.453 is amended to read:

40 475B.453. (1) The Oregon [Health Authority] **Cannabis Commission** shall require by rule a
41 medical marijuana dispensary to submit to the [authority] **commission** for inclusion in the database
42 developed and maintained pursuant to ORS 475B.458 the following information:

43 (a) The amount of usable marijuana transferred to and by the medical marijuana dispensary;

44 (b) The amount and type of medical cannabinoid products transferred to and by the medical
45 marijuana dispensary;

1 (c) The amount and type of cannabinoid concentrates transferred to and by the medical
2 marijuana dispensary;

3 (d) The amount and type of cannabinoid extracts transferred to and by the medical marijuana
4 dispensary; and

5 (e) The quantity of immature marijuana plants transferred to and by the medical marijuana
6 dispensary.

7 (2) The [authority] **commission** by rule may require a medical marijuana dispensary to submit
8 to the [authority] **commission** for inclusion in the database developed and maintained pursuant to
9 ORS 475B.458 information that is in addition to the information described in subsection (1) of this
10 section as the [authority] **commission** considers necessary to fulfill the [authority's] **commission's**
11 duties under ORS 475B.450 (1). The [authority] **commission** may not employ any method other than
12 that described in this section to obtain information from a medical marijuana dispensary.

13 **SECTION 32.** ORS 475B.455 is amended to read:

14 475B.455. If a school described in ORS 475B.450 (3)(d) that has not previously been attended by
15 children is established within 1,000 feet of a medical marijuana dispensary, the medical marijuana
16 dispensary may remain at its current location unless the Oregon [Health Authority] **Cannabis**
17 **Commission** revokes the registration of the medical marijuana dispensary.

18 **SECTION 33.** ORS 475B.458 is amended to read:

19 475B.458. (1) The Oregon [Health Authority] **Cannabis Commission** shall develop and maintain
20 a database of information related to the production of marijuana by persons designated to produce
21 marijuana by a registry identification cardholder, the processing of marijuana by a marijuana pro-
22 cessing site under ORS 475B.435 and the transfer of usable marijuana, medical cannabinoid products,
23 cannabinoid concentrates and cannabinoid extracts by medical marijuana dispensaries under ORS
24 475B.450. At a minimum, the database must include the information submitted to the [authority]
25 **commission** under ORS 475B.423, 475B.438 and 475B.453.

26 (2)(a) Subject to paragraph (c) of this subsection, the [authority] **commission** may provide in-
27 formation that is stored in the database developed and maintained under this section to a law
28 enforcement agency.

29 (b) Subject to paragraph (c) of this subsection, the [authority] **commission** may provide infor-
30 mation that is stored in the database developed and maintained under this section to the regulatory
31 agencies of a city or county.

32 (c) The [authority] **commission** may not disclose:

33 (A) Any personally identifiable information related to a registry identification cardholder or a
34 designated primary caregiver that is stored in the database developed and maintained under this
35 section.

36 (B) Any information related to the amount and type of usable marijuana, medical cannabinoid
37 products, cannabinoid concentrates and cannabinoid extracts transferred to or by persons designated
38 to produce marijuana by a registry identification cardholder, marijuana processing sites or medical
39 marijuana dispensaries.

40 (3) Nothing in this section prevents a law enforcement agency from lawfully obtaining informa-
41 tion that is stored in the database developed and maintained under this section by subpoena.

42 **SECTION 34.** ORS 475B.460 is amended to read:

43 475B.460. (1)(a) The Oregon [Health Authority] **Cannabis Commission** shall establish and
44 maintain a list of:

45 (A) The names of persons to whom a registry identification card has been issued under ORS

1 475B.415;

2 (B) The names of persons designated as primary caregivers under ORS 475B.418; and

3 (C) The addresses of marijuana grow sites registered under ORS 475B.420.

4 (b) Except as provided in subsection (2) of this section, the list is confidential and not subject
5 to public disclosure under ORS 192.410 to 192.505.

6 (c) The [authority] **commission** shall develop a system by which authorized employees of state
7 and local law enforcement agencies may verify that:

8 (A) A person lawfully possesses a registry identification card;

9 (B) A person is the designated primary caregiver of a lawful possessor of a registry identifica-
10 tion card; or

11 (C) A location is a registered marijuana grow site.

12 (2) Names, addresses and other identifying information from the list established and maintained
13 pursuant to subsection (1) of this section may be released to:

14 (a) Authorized employees of the [authority] **commission** as necessary to perform official duties
15 of the [authority] **commission**.

16 (b) Authorized employees of state or local law enforcement agencies who provide to the [au-
17 thority] **commission** adequate identification, but only as necessary to verify that:

18 (A) A person lawfully possesses a registry identification card;

19 (B) A person is the designated primary caregiver of a lawful possessor of a registry identifica-
20 tion card; or

21 (C) A location is a registered marijuana grow site.

22 (3) Authorized employees of state or local law enforcement agencies who obtain identifying in-
23 formation as authorized by this section may not release or use the information for any purpose other
24 than to verify that:

25 (a) A person lawfully possesses a registry identification card;

26 (b) A person is the designated primary caregiver of a lawful possessor of a registry identification
27 card; or

28 (c) A location is a registered marijuana grow site.

29 (4) In addition to releasing information to authorized employees of state or local law enforce-
30 ment agencies for purposes of verifying information under subsection (2)(b) of this section, the [au-
31 thority] **commission** may release to authorized employees of state or local law enforcement agencies
32 the minimum amount of information necessary to enable an employee to determine whether an in-
33 dividual or location is in compliance with a provision of ORS 475B.400 to 475B.525 or a rule adopted
34 under ORS 475B.400 to 475B.525.

35 (5) If the [authority] **commission** determines, after conducting an investigation or receiving a
36 complaint of an alleged violation of a provision of ORS 475B.400 to 475B.525 or a rule adopted under
37 ORS 475B.400 to 475B.525, that a violation of a provision of ORS 475B.400 to 475B.525 or a rule
38 adopted under ORS 475B.400 to 475B.525 has occurred, the [authority] **commission** may provide in-
39 formation obtained by the [authority] **commission**, except for information related to a registry
40 identification cardholder's debilitating condition, to authorized employees of state or local law
41 enforcement agencies, or to another state or local government agency with jurisdiction over the
42 matter.

43 **SECTION 35.** ORS 475B.462 is amended to read:

44 475B.462. (1) Any personally identifiable information, as defined in ORS 432.005, other than a
45 name of an individual or an address submitted with an application under ORS 475B.435 or 475B.450,

1 that the Oregon [*Health Authority*] **Cannabis Commission** collects and maintains for purposes of
2 registering a marijuana grow site under ORS 475B.420, a marijuana processing site under ORS
3 475B.435, or a medical marijuana dispensary under ORS 475B.450, is confidential and not subject to
4 public disclosure under ORS 192.410 to 192.505, except that the [*authority*] **commission** may provide
5 personally identifiable information to a person registered under ORS 475B.400 to 475B.525 if the
6 registrant requests the information and the information is related to a designation made under ORS
7 475B.400 to 475B.525.

8 (2) Any personally identifiable information, as defined in ORS 432.005, submitted to the [*author-*
9 *ity*] **commission** under ORS 475B.423, 475B.438 or 475B.453 or pursuant to ORS 475B.458 is confi-
10 dential and not subject to public disclosure under ORS 192.410 to 192.505.

11 (3) Any record that the [*authority*] **commission** keeps or maintains for purposes related to the
12 installation or maintenance of a security system by a medical marijuana dispensary pursuant to
13 rules adopted under ORS 475B.450 (10) is confidential and not subject to public disclosure under
14 ORS 192.410 to 192.505.

15 **SECTION 36.** ORS 475B.464 is amended to read:

16 475B.464. Notwithstanding ORS 475B.462, if the Oregon [*Health Authority*] **Cannabis Commis-**
17 **sion** suspends or revokes the registration of the marijuana grow site of a person designated to
18 produce marijuana by a registry identification cardholder, a marijuana processing site or a medical
19 marijuana dispensary, or otherwise takes disciplinary action against the marijuana grow site of a
20 person designated to produce marijuana by a registry identification cardholder, a marijuana pro-
21 cessing site or a medical marijuana dispensary, the [*authority*] **commission** shall provide that in-
22 formation to a law enforcement agency.

23 **SECTION 37.** ORS 475B.468 is amended to read:

24 475B.468. (1) A person responsible for a marijuana processing site, or a person responsible for
25 a medical marijuana dispensary, may designate that responsibility to another person.

26 (2) If a designation is made under this section, the designee must submit to the Oregon [*Health*
27 *Authority*] **Cannabis Commission** proof that the designee meets the requirements and restrictions
28 set forth in:

29 (a) For marijuana processing sites, ORS 475B.435 (2)(d) and (4); or

30 (b) For medical marijuana dispensaries, ORS 475B.450 (2)(d) and (4).

31 (3) The [*authority*] **commission** may prescribe the form and manner of submitting proof under
32 subsection (2) of this section.

33 **SECTION 38.** ORS 475B.469 is amended to read:

34 475B.469. (1) A person responsible for a marijuana processing site, or a person responsible for
35 a medical marijuana dispensary, may assign that responsibility to another person.

36 (2) If an assignment is made under this section, the assignee must submit to the Oregon [*Health*
37 *Authority*] **Cannabis Commission** proof that the assignee meets the requirements and restrictions
38 set forth in:

39 (a) For marijuana processing sites, ORS 475B.435 (2)(d) and (4); or

40 (b) For medical marijuana dispensaries, ORS 475B.450 (2)(d) and (4).

41 (3) The [*authority*] **commission** may prescribe the form and manner of submitting proof under
42 subsection (2) of this section.

43 **SECTION 39.** ORS 475B.470 is amended to read:

44 475B.470. (1) In the event that a marijuana processing site or a medical marijuana dispensary
45 is foreclosed or otherwise ceases operations as described in ORS chapter 79, a secured party, as

1 defined in ORS 79.0102, may continue operations at the marijuana processing site or medical
 2 marijuana dispensary upon submitting to the Oregon [*Health Authority*] **Cannabis Commission**
 3 proof that the secured party or, if the secured party is a business entity, any individual who has a
 4 financial interest in the secured party, meets the requirements and restrictions set forth in:

5 (a) For marijuana processing sites, ORS 475B.435 (2)(d) and (4); or

6 (b) For medical marijuana dispensaries, ORS 475B.450 (2)(d) and (4).

7 (2) The [*authority*] **commission** may prescribe the form and manner of submitting proof under
 8 subsection (1) of this section.

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

10 475B.475. Except as provided in ORS 475B.478, a person engaged in or assisting in the medical
 11 use of marijuana is exempt from the criminal laws of this state for possession, delivery or manu-
 12 facture of marijuana, aiding and abetting another in the possession, delivery or manufacture of
 13 marijuana, or any other criminal offense in which possession, delivery or manufacture of marijuana
 14 is an element if:

15 (1) The person holds a registry identification card.

16 (2) The person has applied for a registry identification card under ORS 475B.415 and the person
 17 has proof of written documentation described in ORS 475B.415 (2)(a) and proof of the date on which
 18 the person submitted the application to the Oregon [*Health Authority*] **Cannabis Commission**. An
 19 exemption under this subsection applies only until the [*authority*] **commission** approves or denies
 20 the application.

21 (3) The person is designated as a primary caregiver under ORS 475B.418.

22 (4) The person is responsible for or is employed by a marijuana grow site registered under ORS
 23 475B.420.

24 (5) The person owns, is responsible for, or is employed by, a marijuana processing site.

25 (6) The person owns, is responsible for, or is employed by, a medical marijuana dispensary.

26 **SECTION 41.** ORS 475B.490, as amended by section 20a, chapter 23, Oregon Laws 2016, is
 27 amended to read:

28 475B.490. (1) Registration under ORS 475B.400 to 475B.525 or possession of proof of registration
 29 under ORS 475B.400 to 475B.525 does not constitute probable cause to search the person or property
 30 of the registrant or otherwise subject the person or property of the registrant to inspection by a
 31 government agency. However, the Oregon [*Health Authority*] **Cannabis Commission** may inspect
 32 the marijuana grow site of a person designated to produce marijuana by a registry identification
 33 cardholder, a marijuana processing site registered under ORS 475B.435, or a medical marijuana
 34 dispensary registered under ORS 475B.450, at any reasonable time to determine whether the person
 35 responsible for the marijuana grow site, the person responsible for the marijuana processing site,
 36 or the person responsible for the medical marijuana dispensary, is in compliance with ORS 475B.400
 37 to 475B.525 and rules adopted under ORS 475B.400 to 475B.525.

38 (2) Any property interest possessed, owned or used in connection with the medical use of
 39 marijuana or acts incidental to the medical use of marijuana that has been seized by state or local
 40 law enforcement officers may not be harmed, neglected, injured or destroyed while in the possession
 41 of a law enforcement agency, except that a law enforcement agency has no responsibility to main-
 42 tain live marijuana plants lawfully seized. Such property interest may not be forfeited under any
 43 provision of law providing for the forfeiture of property, except pursuant to a sentence imposed after
 44 conviction of a criminal offense. Marijuana and equipment or paraphernalia used to produce, process
 45 or administer marijuana that was seized by a law enforcement officer shall be returned immediately

1 if the district attorney in whose county the property was seized, or the district attorney's designee,
 2 determines that the person from whom the marijuana, equipment or paraphernalia was seized is
 3 entitled to the protections provided by ORS 475B.400 to 475B.525. The determination may be evi-
 4 denced by a decision not to prosecute, the dismissal of charges or acquittal.

5 **SECTION 42.** ORS 475B.495 is amended to read:

6 475B.495. (1) In addition to any other liability or penalty provided by law, the Oregon [*Health*
 7 *Authority*] **Cannabis Commission** may impose for each violation of a provision of ORS 475B.400 to
 8 475B.525, or for each violation of a rule adopted under a provision of ORS 475B.400 to 475B.525, a
 9 civil penalty that does not exceed \$500 for each day that the violation occurs.

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

12 (3) All moneys collected pursuant to this section shall be deposited in the Oregon [*Health Au-*
 13 *thority*] **Cannabis Commission** Fund established under ORS 413.101 and are continuously appropri-
 14 ated to the [*authority*] **commission** for the purpose of carrying out the duties, functions and powers
 15 of the [*authority*] **commission** under ORS 475B.400 to 475B.525.

16 **SECTION 43.** ORS 475B.505 is amended to read:

17 475B.505. Upon request the State Department of Agriculture and the Oregon Liquor Control
 18 Commission, pursuant to an agreement or otherwise, shall assist the Oregon [*Health Authority*]
 19 **Cannabis Commission** in implementing and enforcing the provisions of ORS 475B.400 to 475B.525
 20 and rules adopted under the provisions of ORS 475B.400 to 475B.525.

21 **SECTION 44.** ORS 475B.507 is amended to read:

22 475B.507. The Oregon [*Health Authority*] **Cannabis Commission**, the State Department of Ag-
 23 riculture and the Oregon Liquor Control Commission, and the officers, employees and agents of the
 24 [*authority*] **Oregon Cannabis Commission**, department and [*commission*] **Oregon Liquor Control**
 25 **Commission**, are immune from any cause of action for the performance of, or the failure to perform,
 26 duties required by ORS 475B.400 to 475B.525.

27 **SECTION 45.** ORS 475B.510 is amended to read:

28 475B.510. The Oregon [*Health Authority*] **Cannabis Commission**, the State Department of Ag-
 29 riculture and the Oregon Liquor Control Commission may possess, seize or dispose of marijuana,
 30 usable marijuana, medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts
 31 as is necessary for the [*authority*] **Oregon Cannabis Commission** to ensure compliance with and
 32 enforce the provisions of ORS 475B.400 to 475B.525 and any rule adopted under ORS 475B.400 to
 33 475B.525.

34 **SECTION 46.** ORS 475B.517 is amended to read:

35 475B.517. Any person may petition the Oregon [*Health Authority*] **Cannabis Commission** to re-
 36 quest that a disease or condition be included among the diseases and conditions that qualify as de-
 37 bilitating medical conditions under ORS 475B.400 to 475B.525. The [*authority*] **commission** shall
 38 adopt rules establishing the procedure for filing a petition under this section and the manner by
 39 which the [*authority*] **commission** evaluates a request made under this section. Rules adopted under
 40 this section must require the [*authority*] **commission** to approve or deny a petition within 180 days
 41 of receiving the petition. Denial of a petition is a final agency action subject to judicial review.

42 **SECTION 47.** ORS 475B.525 is amended to read:

43 475B.525. (1) The Oregon [*Health Authority*] **Cannabis Commission** shall adopt rules necessary
 44 for the implementation, administration and enforcement of ORS 475B.400 to 475B.525.

45 (2) The [*authority*] **commission** may adopt rules as the [*authority*] **commission** considers nec-

1 essary to protect the public health and safety.

2 **SECTION 48.** ORS 475B.555 is amended to read:

3 475B.555. (1) As is necessary to protect the public health and safety, and in consultation with
4 the Oregon Liquor Control Commission and the State Department of Agriculture, the Oregon Health
5 Authority shall adopt rules:

6 (a) Establishing standards for testing marijuana items.

7 (b) Identifying appropriate tests for marijuana items, depending on the type of marijuana item
8 and the manner in which the marijuana item was produced or processed, that are necessary to
9 protect the public health and safety, including, but not limited to, tests for:

10 (A) Microbiological contaminants;

11 (B) Pesticides;

12 (C) Other contaminants;

13 (D) Solvents or residual solvents; and

14 (E) Tetrahydrocannabinol and cannabidiol concentration.

15 (c) Establishing procedures for determining batch sizes and for sampling usable marijuana,
16 cannabinoid products and cannabinoid concentrates or extracts.

17 (d) Establishing different minimum standards for different varieties of usable marijuana and dif-
18 ferent types of cannabinoid products and cannabinoid concentrates and extracts.

19 (2) In addition to the testing requirements established under subsection (1) of this section, the
20 authority or the [*commission*] **Oregon Liquor Control Commission** may require cannabinoid edibles
21 to be tested in accordance with any applicable law of this state, or any applicable rule adopted
22 under a law of this state, related to the production and processing of food products or commodities.

23 (3) In adopting rules under ORS 475B.400 to 475B.525, the [*authority*] **Oregon Cannabis Com-**
24 **mission** may require:

25 (a) A person responsible for a marijuana grow site under ORS 475B.420 to test usable marijuana
26 before transferring the usable marijuana to a registrant other than an individual who holds a reg-
27 istry identification card under ORS 475B.415; and

28 (b) A person processing marijuana to test cannabinoid products or cannabinoid concentrates or
29 extracts before transferring the cannabinoid products or cannabinoid concentrates or extracts to a
30 registrant other than an individual who holds a registry identification card under ORS 475B.415.

31 (4) In adopting rules under ORS 475B.010 to 475B.395, the **Oregon Liquor Control** Commission
32 may require:

33 (a) A marijuana producer that holds a license under ORS 475B.070 or a marijuana wholesaler
34 that holds a license under ORS 475B.100 to test usable marijuana before selling or transferring the
35 usable marijuana; and

36 (b) A marijuana processor that holds a license under ORS 475B.090 or a marijuana wholesaler
37 that holds a license under ORS 475B.100 to test cannabinoid products or cannabinoid concentrates
38 or extracts before selling or transferring the cannabinoid products or cannabinoid concentrates or
39 extracts.

40 (5) The [*authority*] **Oregon Cannabis Commission** and the [*commission*] **Oregon Liquor Con-**
41 **trol Commission** may conduct random testing of marijuana items for the purpose of determining
42 whether a person subject to testing under subsection (3) of this section or a licensee subject to
43 testing under subsection (4) of this section is in compliance with this section.

44 (6) In adopting rules to implement this section, the [*authority*] **Oregon Cannabis Commission**
45 and [*commission*] **Oregon Liquor Control Commission** may not require a marijuana item to un-

1 dergo the same test more than once unless the marijuana item is processed into a different type of
2 marijuana item or the condition of the marijuana item has fundamentally changed.

3 (7) The testing of marijuana items as required by this section must be conducted by a laboratory
4 licensed by the **Oregon Liquor Control** Commission under ORS 475B.560 and accredited by the
5 authority under ORS 475B.565.

6 (8) In adopting rules under subsection (1) of this section, the authority:

7 (a) Shall consider the cost of a potential testing procedure and how that cost will affect the cost
8 to the ultimate consumer of the marijuana item; and

9 (b) May not adopt rules that are more restrictive than is reasonably necessary to protect the
10 public health and safety.

11 **SECTION 49.** ORS 475B.605 is amended to read:

12 475B.605. (1) As is necessary to protect the public health and safety, and in consultation with
13 the Oregon Liquor Control Commission and the State Department of Agriculture, the Oregon Health
14 Authority shall adopt rules establishing standards for the labeling of marijuana items, including but
15 not limited to:

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

18 (A) Health and safety warnings;

19 (B) Activation time;

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

21 (D) Potency;

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

25 (F) Content of the marijuana item; and

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

29 (2) In adopting rules under ORS 475B.400 to 475B.525, the [authority] **Oregon Cannabis Com-**
30 **mission** shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and
31 extracts transferred by a medical marijuana dispensary registered under ORS 475B.450 to be labeled
32 in accordance with subsection (1) of this section and rules adopted under subsection (1) of this sec-
33 tion.

34 (3) In adopting rules under ORS 475B.010 to 475B.395, the [commission] **Oregon Liquor Control**
35 **Commission** shall require all usable marijuana, cannabinoid products and cannabinoid concentrates
36 and extracts sold or transferred by a marijuana retailer that holds a license under ORS 475B.110 to
37 be labeled in accordance with subsection (1) of this section and rules adopted under subsection (1)
38 of this section.

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

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

42 (b) May establish different minimum labeling standards for persons registered under ORS
43 475B.400 to 475B.525 and persons licensed under ORS 475B.010 to 475B.395;

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

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

3 **SECTION 50.** ORS 475B.610 is amended to read:

4 475B.610. (1) As used in this section:

5 (a) "Licensee" has the meaning given that term in ORS 475B.015.

6 (b) "Registrant" means a person registered under ORS 475B.400 to 475B.525.

7 (2) The Oregon Liquor Control Commission may by rule require a licensee, and the Oregon
8 [Health Authority] **Cannabis Commission** may by rule require a registrant, to submit a label intended
9 for use on a marijuana item for preapproval by the [commission] **Oregon Liquor Control**
10 **Commission** before the licensee or registrant may sell or transfer a marijuana item bearing the
11 label. The [commission] **Oregon Liquor Control Commission** shall determine whether a label submitted
12 under this section complies with ORS 475B.605 and any rule adopted under ORS 475B.605.

13 (3) The [commission] **Oregon Liquor Control Commission** may impose a fee for submitting a
14 label for preapproval under this section that is reasonably calculated to not exceed the cost of administering
15 this section.

16 **SECTION 51.** ORS 475B.615 is amended to read:

17 475B.615. (1) As is necessary to protect the public health and safety, and in consultation with
18 the Oregon Health Authority and the State Department of Agriculture, the Oregon Liquor Control
19 Commission shall adopt rules establishing standards for the packaging of marijuana items, including
20 but not limited to:

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

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

24 (B) Not marketed in a manner that:

25 (i) Is untruthful or misleading;

26 (ii) Is attractive to minors; or

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

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

30 (2) In adopting rules under ORS 475B.400 to 475B.525, the [authority] **Oregon Cannabis Commission**
31 shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and
32 extracts transferred by a medical marijuana dispensary registered under ORS 475B.450 to be packaged
33 in accordance with subsection (1) of this section and rules adopted under subsection (1) of this
34 section.

35 (3) In adopting rules under ORS 475B.010 to 475B.395, the [commission] **Oregon Liquor Control**
36 **Commission** shall require all usable marijuana, cannabinoid products and cannabinoid concentrates
37 and extracts sold or transferred by a marijuana retailer that holds a license under ORS 475B.110 to
38 be packaged in accordance with subsection (1) of this section and rules adopted under subsection
39 (1) of this section.

40 (4) In adopting rules under subsection (1) of this section the [commission] **Oregon Liquor Control**
41 **Commission**:

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

44 (b) May establish different minimum packaging standards for persons registered under ORS
45 475B.400 to 475B.525 and persons licensed under ORS 475B.010 to 475B.395;

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

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

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

6 **SECTION 52.** ORS 475B.620 is amended to read:

7 475B.620. (1) As used in this section:

8 (a) "Licensee" has the meaning given that term in ORS 475B.015.

9 (b) "Registrant" means a person registered under ORS 475B.400 to 475B.525.

10 (2) The Oregon Liquor Control Commission may by rule require a licensee, and the Oregon
11 [*Health Authority*] **Cannabis Commission** may by rule require a registrant, to submit packaging
12 intended for a marijuana item for preapproval by the [*commission*] **Oregon Liquor Control Com-**
13 **mission** before the licensee or registrant may sell or transfer a marijuana item packaged in the
14 packaging. The **Oregon Liquor Control Commission** shall determine whether packaging submitted
15 under this section complies with ORS 475B.615 and any rule adopted under ORS 475B.615.

16 (3) The [*commission*] **Oregon Liquor Control Commission** may impose a fee for submitting
17 packaging for preapproval under this section that is reasonably calculated to not exceed the cost
18 of administering this section.

19 **SECTION 53.** ORS 475B.625, as amended by section 15, chapter 83, Oregon Laws 2016, is
20 amended to read:

21 475B.625. (1) The Oregon Health Authority shall adopt rules establishing:

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

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

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

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

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

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

36 (3) In adopting rules under ORS 475B.400 to 475B.525, the [*authority*] **Oregon Cannabis Com-**
37 **mission** shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and
38 extracts transferred by a medical marijuana dispensary registered under ORS 475B.450 to meet the
39 concentration standards and packaging standards adopted by rule pursuant to this section.

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

44 **SECTION 54.** ORS 475B.640 is amended to read:

45 475B.640. To ensure compliance with ORS 475B.600 to 475B.655 and any rule adopted under ORS

1 475B.600 to 475B.655, the Oregon [*Health Authority*] **Cannabis Commission** may inspect the prem-
 2 ises of:

3 (1) A medical marijuana dispensary registered under ORS 475B.450; and

4 (2) A person that processes marijuana to test cannabinoid products or cannabinoid concentrates
 5 or extracts for the purpose of transferring the cannabinoid products or cannabinoid concentrates
 6 or extracts to a medical marijuana dispensary registered under ORS 475B.450.

7 **SECTION 55.** ORS 475B.650 is amended to read:

8 475B.650. Subject to the applicable provisions of ORS chapter 183, if a person violates a pro-
 9 vision of ORS 475B.600 to 475B.655 or a rule adopted under a provision of ORS 475B.600 to 475B.655,
 10 the Oregon [*Health Authority*] **Cannabis Commission** may:

11 (1) Refuse to register a person under ORS 475B.400 to 475B.525;

12 (2) Suspend activities conducted by a registrant pursuant to ORS 475B.400 to 475B.525; or

13 (3) Remove a registrant from a registry kept pursuant to ORS 475B.400 to 475B.525.

14 **SECTION 56.** ORS 475B.800, as amended by section 31, chapter 24, Oregon Laws 2016, is
 15 amended to read:

16 475B.800. (1) The governing body of a city or county may adopt ordinances to be referred to the
 17 electors of the city or county as described in subsection (2) of this section that prohibit or allow the
 18 establishment of any one or more of the following in the area subject to the jurisdiction of the city
 19 or in the unincorporated area subject to the jurisdiction of the county:

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

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

22 (c) Marijuana producers licensed under ORS 475B.070;

23 (d) Marijuana processors licensed under ORS 475B.090;

24 (e) Marijuana wholesalers licensed under ORS 475B.100;

25 (f) Marijuana retailers licensed under ORS 475B.110; or

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

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

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

32 (a) To the Oregon [*Health Authority*] **Cannabis Commission**, in a form and manner prescribed
 33 by the [*authority*] **commission**, if the ordinance concerns a medical marijuana dispensary registered
 34 under ORS 475B.450 or a marijuana processing site registered under ORS 475B.435; or

35 (b) To the Oregon Liquor Control Commission, if the ordinance concerns a premises for which
 36 a license has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110.

37 (4)(a) Upon receiving notice of a prohibition under subsection (3) of this section, the [*authority*]
 38 **Oregon Cannabis Commission** shall discontinue registering those entities to which the prohibition
 39 applies until the date of the next statewide general election.

40 (b) Upon receiving notice of a prohibition under subsection (3) of this section, the [*commission*]
 41 **Oregon Liquor Control Commission** shall discontinue licensing those premises to which the pro-
 42 hibition applies until the date of the next statewide general election.

43 (5)(a) If an allowance is approved at the next statewide general election under subsection (2)
 44 of this section, and the allowance concerns an entity described in subsection (1)(a) or (b) of this
 45 section, the [*authority*] **Oregon Cannabis Commission** shall begin registering the entity to which

1 the allowance applies on the first business day of the January immediately following the date of the
2 statewide general election.

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

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

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

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

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

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

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

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

22 **SECTION 57.** Section 2, chapter 23, Oregon Laws 2016, is amended to read:

23 **Sec. 2.** The requirement under ORS 475B.063 to obtain a land use compatibility statement as a
24 condition of receiving a license under ORS 475B.070 does not apply to an applicant if:

25 (1) The applicant is applying for a license at an address where a marijuana grow site registered
26 under ORS 475B.420 is located;

27 (2) The address is outside of city limits;

28 (3) At least one person responsible for a marijuana grow site located at the address first regis-
29 tered with the Oregon [Health Authority] **Cannabis Commission** under ORS 475B.420 before Janu-
30 ary 1, 2015;

31 (4) Each person responsible for a marijuana grow site located at the address first registered with
32 the Oregon [Health Authority] **Cannabis Commission** under ORS 475B.420 before February 1, 2016;
33 and

34 (5) The applicant is applying for a mature marijuana plant grow canopy of:

35 (a) 5,000 square feet or less, if the marijuana is produced outdoors; or

36 (b) 1,250 square feet or less, if the marijuana is produced indoors.

37 **SECTION 58.** Section 13, chapter 23, Oregon Laws 2016, is amended to read:

38 **Sec. 13.** For the purpose of requesting a state or nationwide criminal records check under ORS
39 181A.195, the Oregon [Health Authority] **Cannabis Commission** may require the fingerprints of any
40 individual listed on an application submitted under ORS 475B.435. The powers conferred on the
41 [authority] **commission** under this section include the power to require the fingerprints of:

42 (1) If the applicant is a limited partnership, each partner of the limited partnership;

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

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

45 (4) Any individual who holds a financial interest of 10 percent or more in the person applying

1 for the license; and

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

4 **SECTION 59.** Section 14, chapter 23, Oregon Laws 2016, is amended to read:

5 **Sec. 14.** For the purpose of requesting a state or nationwide criminal records check under ORS
6 181A.195, the Oregon [*Health Authority*] **Cannabis Commission** may require the fingerprints of any
7 individual listed on an application submitted under ORS 475B.450. The powers conferred on the
8 [*authority*] **commission** under this section include the power to require the fingerprints of:

9 (1) If the applicant is a limited partnership, each partner of the limited partnership;

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

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

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

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

16 **SECTION 60.** Section 20, chapter 23, Oregon Laws 2016, is amended to read:

17 **Sec. 20.** (1) Notwithstanding ORS 475B.423 (2), a person designated to produce marijuana by a
18 registry identification cardholder may delegate the person's duty to submit to the Oregon [*Health*
19 *Authority*] **Cannabis Commission** the information described in ORS 475B.423 to another person
20 designated to produce marijuana by a registry identification cardholder if the marijuana grow sites
21 for which the persons are required to submit the information are located at the same address.

22 (2) A person to whom the duty described in subsection (1) of this section is delegated must in-
23 form the authority of the delegation in a form and manner prescribed by the authority.

24 (3) In adopting rules prescribing the form and manner in which information is submitted to the
25 authority under ORS 475B.423, the authority shall adopt rules that lessen the administrative burden
26 on persons to whom the duty described in subsection (1) of this section is delegated.

27 **SECTION 61.** Section 22, chapter 23, Oregon Laws, 2016, is amended to read:

28 **Sec. 22.** (1) In addition to the powers granted nonprofit corporations under ORS 65.077 and
29 65.081, a medical marijuana dispensary that is owned by a nonprofit corporation organized under
30 ORS chapter 65 may receive by gift, devise or bequest:

31 (a) Usable marijuana, immature marijuana plants and seeds from registry identification
32 cardholders, designated primary caregivers, persons responsible for marijuana grow sites, persons
33 who hold a license under ORS 475B.070 and persons who hold a certificate under ORS 475B.235; and

34 (b) Medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts from per-
35 sons responsible for marijuana processing sites, persons who hold a license under ORS 475B.090 and
36 persons who hold a certificate under ORS 475B.235.

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

43 (3) The Oregon [*Health Authority*] **Cannabis Commission** shall adopt rules necessary to imple-
44 ment this section.

45 **SECTION 62.** Section 25, chapter 24, Oregon Laws 2016, is amended to read:

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

2 (a) A person responsible for a marijuana grow site registered under ORS 475B.420, or, if multiple
3 persons responsible for a marijuana grow site registered under ORS 475B.420 are located at the
4 same address, each person responsible for a marijuana grow site located at the address, may apply
5 for a license under ORS 475B.070 to transition from being registered by the Oregon [*Health Au-*
6 *thority*] **Cannabis Commission** to being licensed by the [*commission*] **Oregon Liquor Control**
7 **Commission**;

8 (b) A marijuana processing site registered under ORS 475B.435 may apply for a license under
9 ORS 475B.090 to transition from being registered by the [*authority*] **Oregon Cannabis Commission**
10 to being licensed by the [*commission*] **Oregon Liquor Control Commission**; and

11 (c) A medical marijuana dispensary registered under ORS 475B.450 may apply for a license un-
12 der ORS 475B.110 to transition from being registered by the [*authority*] **Oregon Cannabis Com-**
13 **mission** to being licensed by the [*commission*] **Oregon Liquor Control Commission**.

14 (2)(a) In adopting rules under this section, the [*commission*] **Oregon Liquor Control Commis-**
15 **sion** shall adopt, at a minimum, procedures by which the inventory possessed by a person responsi-
16 ble for a marijuana grow site, a marijuana processing site or a medical marijuana dispensary on the
17 date on which the person responsible for a marijuana grow site, the marijuana processing site or the
18 medical marijuana dispensary is first subject to tracking by the [*commission*] **Oregon Liquor Con-**
19 **trol Commission** under ORS 475B.150:

20 (A) May be delivered to a premises for which a license has been issued under ORS 475B.090,
21 475B.100 or 475B.110; or

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

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

31 **SECTION 63.** Section 30, chapter 24, Oregon Laws 2016, is amended to read:

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

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

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

37 (c) Marijuana producers licensed under ORS 475B.070;

38 (d) Marijuana processors licensed under ORS 475B.090;

39 (e) Marijuana wholesalers licensed under ORS 475B.100;

40 (f) Marijuana retailers licensed under ORS 475B.110; or

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

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

44 (a) To the Oregon [*Health Authority*] **Cannabis Commission**, in a form and manner prescribed
45 by the [*authority*] **Oregon Cannabis Commission**, if the ordinance concerns a medical marijuana

1 dispensary registered under ORS 475B.450 or a marijuana processing site registered under ORS
2 475B.435; or

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

6 **SECTION 64.** Section 9, chapter 71, Oregon Laws 2016, is amended to read:

7 **Sec. 9.** (1) For purposes of this section, “consumption” means to ingest, inhale or topically apply
8 to the skin or hair.

9 (2) A laboratory licensed by the Oregon Liquor Control Commission under ORS 475B.560 and
10 accredited by the Oregon Health Authority pursuant to ORS 475B.565 may test industrial hemp and
11 industrial hemp commodities and products produced or processed by a grower, handler or agricul-
12 tural hemp seed producer registered under ORS 571.305.

13 (3) A handler registered under ORS 571.305 may not sell an industrial hemp commodity or
14 product that is intended for human consumption unless the commodity or product is tested by a
15 laboratory described in subsection (2) of this section to ensure that the commodity or product meets
16 the requirements adopted by the Oregon Health Authority under ORS 475B.555 (1)(a) and (b) [*and*
17 (2)] for testing marijuana items.

18 (4) For purposes of this section, the State Department of Agriculture shall adopt rules:

19 (a) Establishing protocols for the testing of industrial hemp commodities and products; and

20 (b) Establishing procedures for determining batch sizes and for sampling industrial hemp com-
21 modities and products.

22 **SECTION 65.** Section 2, chapter 83, Oregon Laws 2016, is amended to read:

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

26 (2) To produce marijuana for medical purposes, a marijuana producer that holds a license under
27 ORS 475B.070 must register with the Oregon Liquor Control Commission under this section.

28 (3) The [*commission*] **Oregon Liquor Control Commission** shall register a marijuana producer
29 for the purpose of producing marijuana for medical purposes if the marijuana producer:

30 (a) Holds a license under ORS 475B.070;

31 (b) Meets any qualifications adopted by the [*commission*] **Oregon Liquor Control Commission**
32 by rule;

33 (c) Applies to the [*commission*] **Oregon Liquor Control Commission** in a form and manner
34 prescribed by the [*commission*] **Oregon Liquor Control Commission**; and

35 (d) Pays any fee adopted by the [*commission*] **Oregon Liquor Control Commission** by rule.

36 (4)(a) A marijuana producer registered under this section may produce marijuana for a registry
37 identification cardholder, and provide usable marijuana to the registry identification cardholder or
38 to the designated primary caregiver of the registry identification cardholder, if the marijuana pro-
39 ducer enters into an agreement with the registry identification cardholder for whom the marijuana
40 producer is producing the marijuana. An agreement entered into under this subsection:

41 (A) Must be submitted to the [*commission*] **Oregon Liquor Control Commission** in a manner
42 prescribed by the [*commission*] **Oregon Liquor Control Commission**;

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

45 (C) May require a registry identification cardholder, or a designated primary caregiver on behalf

1 of a registry identification cardholder, to reimburse a marijuana producer for all costs associated
2 with producing marijuana for the registry identification cardholder or providing usable marijuana
3 to the registry identification cardholder or designated primary caregiver;

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

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

10 (F) May allow the marijuana producer to keep a portion of the usable marijuana harvested from
11 the marijuana produced for the registry identification cardholder for the purposes of:

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

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

16 (c) Marijuana produced for a registry identification cardholder, and usable marijuana trans-
17 ferred or sold to a marijuana processing site or medical marijuana dispensary, pursuant to an
18 agreement entered into under this subsection must be tracked by the system developed and main-
19 tained under ORS 475B.150.

20 (d)(A) Upon request by the **Oregon Liquor Control** Commission, the Oregon [*Health Authority*]
21 **Cannabis Commission** shall provide the **Oregon Liquor Control** Commission, notwithstanding any
22 laws relating to the confidentiality of information under ORS 475B.460 and 475B.462, with the reg-
23 istration information of:

24 (i) A registry identification cardholder who enters into an agreement under this subsection; or

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

28 (B) Registration information received by the [*commission*] **Oregon Liquor Control Commission**
29 under this paragraph that is confidential and not subject to public disclosure under ORS 475B.460
30 and 475B.462 remains confidential and not subject to public disclosure after being provided to the
31 [*commission*] **Oregon Liquor Control Commission**.

32 (e) Marijuana produced pursuant to an agreement entered into under this subsection is not
33 subject to rules restricting the size of mature marijuana plant grow canopies adopted by the [*com-*
34 *mission*] **Oregon Liquor Control Commission** under ORS 475B.075.

35 (5)(a) The [*commission*] **Oregon Liquor Control Commission** shall adopt rules necessary to
36 administer this section, including rules:

37 (A) For the equitable conversion of a number of mature marijuana plants to a size of mature
38 marijuana plant grow canopy;

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

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

42 (D) Limiting the number of registry identification cardholders for whom a marijuana producer
43 registered under this section may produce marijuana; and

44 (E) Prohibiting a registry identification cardholder from entering into more than one agreement
45 with a marijuana producer registered under this section.

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

SECTION 66. Section 6, chapter 83, Oregon Laws 2016, is amended to read:

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

SECTION 67. Section 29, chapter 83, Oregon Laws, 2016, is amended to read:

Sec. 29. (1) Notwithstanding ORS 475B.450 (3)(d), a city or county may adopt an ordinance allowing a medical marijuana dispensary to be located within 500 feet of a public elementary or secondary school for which attendance is compulsory under ORS 339.020, or a private or parochial elementary or secondary school teaching children as described in ORS 339.030 (1)(a), if the county or city determines that a physical or geographic barrier capable of preventing children from traversing to the school separates the medical marijuana dispensary from the school.

(2) A city or county that adopts an ordinance under this section must inform the Oregon [Health Authority] **Cannabis Commission**, in a form and manner prescribed by the [authority] **commission**, of the content and effective date of the ordinance.

SECTION 68. Section 4, chapter 97, Oregon Laws 2016, is amended to read:

Sec. 4. (1) Notwithstanding any law relating to the exemption of information from public disclosure under ORS 475B.400 to 475B.525, upon the request of a financial institution, the Oregon [Health Authority] **Cannabis Commission** shall provide to the financial institution the following information:

(a) Whether a person with whom the financial institution is doing business is registered under ORS 475B.435 or 475B.450;

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

(c) A copy of the application, and any supporting documentation submitted with that application, for registration submitted by the person;

(d) Data relating to the volume of product transferred by the person;

(e) Whether the person is currently compliant with the provisions of ORS 475B.400 to 475B.525, 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted under ORS 475B.400 to 475B.525, 475B.550 to 475B.590 and 475B.600 to 475B.655;

(f) Any past or pending violation by the person of a provision of ORS 475B.400 to 475B.525, 475B.550 to 475B.590 or 475B.600 to 475B.655 or a rule adopted under ORS 475B.400 to 475B.525, 475B.550 to 475B.590 or 475B.600 to 475B.655; and

(g) Any penalty imposed upon the person for violating a provision of ORS 475B.400 to 475B.525, 475B.550 to 475B.590 or 475B.600 to 475B.655 or a rule adopted under ORS 475B.400 to 475B.525, 475B.550 to 475B.590 or 475B.600 to 475B.655.

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

(3) The [authority] **commission** may charge a financial institution a reasonable fee to cover the administrative costs of providing information under this section.

SECTION 69. ORS 475B.245, as amended by section 27, chapter 23, Oregon Laws 2016, section 36, chapter 24, Oregon Laws 2016, and section 13, chapter 83, Oregon Laws 2016, is amended to

1 read:

2 475B.245. ORS 475B.025, 475B.030, 475B.033, 475B.035, 475B.040, 475B.045, 475B.050, 475B.055,
 3 475B.060, 475B.063, 475B.065, 475B.068, 475B.070, 475B.075, 475B.090, 475B.100, 475B.110, 475B.115,
 4 475B.125, 475B.130, 475B.135, 475B.140, 475B.145, 475B.150, 475B.160, 475B.165, 475B.170, 475B.180,
 5 475B.190, 475B.195, 475B.200, 475B.205, 475B.210, 475B.215, 475B.218, 475B.230, 475B.233, 475B.235,
 6 475B.240, 475B.325, 475B.330, 475B.335, 475B.340, 475B.345, 475B.350, 475B.353, 475B.355, 475B.358,
 7 475B.360, 475B.365, 475B.370 and 475B.373 and sections 2, 3, 4 and 5, chapter 83, Oregon Laws 2016,
 8 do not apply:

9 (1) To the production or storage of homegrown marijuana at a household by one or more persons
 10 21 years of age and older, if the total amount of homegrown marijuana at the household does not
 11 exceed four marijuana plants at any time.

12 (2) To the possession or storage of usable marijuana items at a household by one or more per-
 13 sons 21 years of age or older, if the total amount of usable marijuana at the household does not
 14 exceed eight ounces of usable marijuana at any time.

15 (3) To the making, processing, possession or storage of cannabinoid products at a household by
 16 one or more persons 21 years of age and older, if the total amount of cannabinoid products at the
 17 household does not exceed 16 ounces in solid form at any time.

18 (4) To the making, processing, possession or storage of cannabinoid products at a household by
 19 one or more persons 21 years of age and older, if the total amount of cannabinoid products at the
 20 household does not exceed 72 ounces in liquid form at any time.

21 (5) To the making, processing, possession or storage of cannabinoid concentrates at a household
 22 by one or more persons 21 years of age or older, if the total amount of cannabinoid concentrates
 23 at the household does not exceed 16 ounces at any time.

24 (6) To the possession of cannabinoid extracts at a household by one or more persons 21 years
 25 of age or older, if the cannabinoid extracts were purchased from a marijuana retailer that holds a
 26 license under ORS 475B.110, or transferred by a medical marijuana dispensary registered by the
 27 Oregon [*Health Authority*] **Cannabis Commission** under ORS 475B.450, and the total amount of
 28 cannabinoid extracts at the household does not exceed one ounce at any time.

29 (7) To the delivery of not more than one ounce of usable marijuana at a time by a person 21
 30 years of age or older to another person 21 years of age or older for noncommercial purposes.

31 (8) To the delivery of not more than 16 ounces of cannabinoid products in solid form at a time
 32 by a person 21 years of age or older to another person 21 years of age or older for noncommercial
 33 purposes.

34 (9) To the delivery of not more than 72 ounces of cannabinoid products in liquid form at a time
 35 by a person 21 years of age or older to another person 21 years of age or older for noncommercial
 36 purposes.

37 (10) To the delivery of not more than 16 ounces of cannabinoid concentrates at a time by a
 38 person 21 years of age or older to another person 21 years of age or older for noncommercial pur-
 39 poses.

40 **SECTION 70.** Section 22, chapter 83, Oregon Laws 2016, is amended to read:

41 **Sec. 22.** (1) As used in this section:

- 42 (a) “Marijuana” has the meaning given that term in ORS 475B.015.
- 43 (b) “Marijuana grow site” has the meaning given that term in ORS 475B.410.
- 44 (c) “Marijuana producer” has the meaning given that term in ORS 475B.015.
- 45 (d) “Premises” has the meaning given that term in ORS 475B.015.

1 (e) "Produce" has the meaning given that term in ORS 475B.015.

2 (f) "Registry identification cardholder" has the meaning given that term in ORS 475B.410.

3 (2) For each person responsible for a marijuana grow site located at an address, the amount of
4 mature marijuana plants produced at that address on [*the effective date of this 2016 Act*] **March 29,**
5 **2016**, may continue to be produced at the address, regardless of whether the amount of mature
6 marijuana plants is in excess of the limits imposed under ORS 475B.428, if an applicant for licensure
7 under ORS 475B.070 files notice under subsection (3) of this section and if:

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

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

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

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

25 (b) The name of each registry identification cardholder for whom marijuana is produced at the
26 address;

27 (c) Proof that the applicant has sent, by certified mail with return receipt requested to each
28 registry identification cardholder for whom marijuana is produced at the address, notice:

29 (A) Of the registry identification cardholder's possessory rights under ORS 475B.420 (7); and

30 (B) That the registry identification cardholder's possessory rights under ORS 475B.420 (7) ter-
31minate on the date that the applicant receives a license under ORS 475B.070 to produce marijuana
32 on the premises that is located at the address; and

33 (d) A statement that the applicant has filed a completed application with the commission under
34 ORS 475B.040, as described in subsection (2)(a) or (b) of this section, to produce marijuana on the
35 premises that is located at the address.

36 (4) On the date that an applicant receives a license under ORS 475B.070 to produce marijuana
37 at an address, the possessory right to all seeds, immature marijuana plants, mature marijuana plants
38 and usable marijuana in the applicant's possession transfer from each registry identification
39 cardholder for whom marijuana is being produced at the address to the applicant, provided that the
40 applicant provides just compensation to any registry identification cardholder who requests to be
41 paid for the seeds, immature marijuana plants, mature marijuana plants and usable marijuana being
42 transferred from the registry identification cardholder to the applicant. Provision of just compen-
43 sation as required by this subsection can be part of an agreement entered into under section 2 (4),
44 **chapter 83, Oregon Laws 2016** [*of this 2016 Act*].

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

1 (a) Forward the notice to the commission; and

2 (b) Suspend issuing marijuana grow site registration cards under ORS 475B.420 to any proposed
3 marijuana grow site that would be located at the premises for which licensure is sought.

4 (6) Upon receiving a notice from the authority under subsection (5) of this section, the commis-
5 sion shall provide the authority with information verifying that the applicant has met the conditions
6 set forth in subsection (2)(a) or (b) of this section.

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

16 **SECTION 71.** Section 26, chapter 83, Oregon Laws 2016, is amended to read:

17 **Sec. 26.** (1) For the persons responsible for each marijuana grow site located at an address to
18 continue to produce the number of mature marijuana plants described in ORS 475B.428 (3)(b) or
19 (4)(b), each person responsible for a marijuana grow site located at the address shall send a notice
20 to the Oregon [*Health Authority*] **Cannabis Commission**, in a form and manner prescribed by the
21 authority, stating:

22 (a) That the person responsible for the marijuana grow site was first registered with the au-
23 thority under ORS 475B.420 before January 1, 2015, to produce mature marijuana plants at that
24 address; and

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

27 (2) The authority may use any means necessary to verify information received by the authority
28 under subsection (1) of this section.

29 (3) Notwithstanding the limits imposed on the production of mature marijuana plants in ORS
30 475B.428 (3), an amount of mature marijuana plants in excess of 12 mature marijuana plants, not to
31 exceed 24 mature marijuana plants, may be produced at the address until the earlier of the follow-
32 ing:

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

36 (b) May 1, 2016.

37 (4) Notwithstanding the limits imposed on the production of mature marijuana plants in ORS
38 475B.428 (4), an amount of mature marijuana plants in excess of 48 mature marijuana plants, not to
39 exceed 96 mature marijuana plants, may be produced at the address until the earlier of the follow-
40 ing:

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

44 (b) May 1, 2016.

45 (5) A person responsible for a marijuana grow site who was not first registered with the au-

1 thority under ORS 475B.420 before January 1, 2015, and who was not registered at a marijuana grow
2 site on December 31, 2014, may not be registered to produce mature marijuana plants in amounts
3 set forth in ORS 475B.428 (3)(b) or (4)(b).

4
5 **REPEAL**

6
7 **SECTION 72. ORS 475B.520 is repealed.**

8
9 **OPERATIVE DATES**

10
11 **SECTION 73. (1) Sections 2 to 9 this 2017 Act, the amendments to statutes and session
12 law by sections 17 to 71 of this 2017 Act and the repeal of ORS 475B.520 by section 72 of this
13 2017 Act become operative on January 1, 2018.**

14 **(2) The Governor, the Oregon Health Authority and the Oregon Cannabis Commission
15 may adopt rules and take any other actions before the operative date specified in subsection
16 (1) of this section that are necessary to enable the Governor, the Oregon Health Authority
17 or the Oregon Cannabis Commission to exercise, on or after the operative date specified in
18 subsection (1) of this section, all of the duties, functions and powers conferred on the Gov-
19 ernor and the Oregon Health Authority or the Oregon Cannabis Commission by sections 2
20 to 9 of this 2017 Act and the amendments to statutes and session law by sections 17 to 71
21 of this 2017 Act and the repeal of ORS 475B.520 by section 72 of this 2017 Act.**

22
23 **UNIT CAPTIONS**

24
25 **SECTION 74. The unit captions used in this 2017 Act are provided only for the conven-
26 ience of the reader and do not become part of the statutory law of this state or express any
27 legislative intent in the enactment of this 2017 Act.**

28
29 **EMERGENCY CLAUSE**

30
31 **SECTION 75. This 2017 Act being necessary for the immediate preservation of the public
32 peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect
33 on its passage.**

34 _____