

Senate Bill 306

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Joint Interim Committee on Marijuana Legalization)

SUMMARY

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

Specifies that Oregon Health Authority may not register marijuana grow sites, marijuana processing sites and medical marijuana dispensaries. Repeals provisions regulating marijuana grow sites, marijuana processing sites and medical marijuana dispensaries on June 30, 2018. Updates and creates provisions providing for licensing of marijuana grow sites, marijuana processing sites and medical marijuana dispensaries by Oregon Liquor Control Commission.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to cannabis; creating new provisions; amending ORS 475B.063, 475B.160, 475B.235, 475B.245,
3 475B.340, 475B.370, 475B.375, 475B.410, 475B.415, 475B.428, 475B.430, 475B.433, 475B.445,
4 475B.460, 475B.475, 475B.478, 475B.480, 475B.490, 475B.507, 475B.510, 475B.555, 475B.570,
5 475B.605, 475B.610, 475B.615, 475B.620, 475B.625, 475B.630 and 475B.800 and sections 25, 30 and
6 33, chapter 24, Oregon Laws 2016, section 2, chapter 83, Oregon Laws 2016, and sections 2 and
7 6, chapter 97, Oregon Laws 2016; repealing ORS 475B.420, 475B.423, 475B.425, 475B.435,
8 475B.438, 475B.440, 475B.443, 475B.450, 475B.453, 475B.455, 475B.458, 475B.462, 475B.464,
9 475B.468, 475B.469, 475B.470, 475B.495, 475B.500, 475B.505, 475B.580, 475B.640 and 475B.650 and
10 sections 2, 13, 14, 20 and 22, chapter 23, Oregon Laws 2016, section 25, chapter 24, Oregon Laws
11 2016, section 29, chapter 83, Oregon Laws 2016, and section 4, chapter 97, Oregon Laws 2016;
12 and prescribing an effective date.

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

THE OREGON MEDICAL MARIJUANA ACT

14
15
16
17 (Transitional Provisions)

18 (Effective 91st Day After Adjournment Sine Die)

19
20 **SECTION 1. Notwithstanding ORS 475B.415, 475B.420, 475B.435 and 475B.450, on and after**
21 **the effective date of this 2017 Act, the Oregon Health Authority may not register a**
22 **marijuana grow site under ORS 475B.420, a marijuana processing site under ORS 475B.435**
23 **or a medical marijuana dispensary under ORS 475B.450.**

24 **SECTION 2. On the operative date specified in section 41 of this 2017 Act, the exemption**
25 **from criminal liability for possession, delivery or manufacture of marijuana, aiding and**
26 **abetting another in the possession, delivery or manufacture of marijuana, or any other**
27 **criminal offense in which possession, delivery or manufacture of marijuana is an element**
28 **ceases for:**

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

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

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

7 **SECTION 3.** Section 25, chapter 24, Oregon Laws 2016, is amended to read:

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

9 (a) A person responsible for a marijuana grow site registered under ORS 475B.420, or, if multiple
10 persons responsible for a marijuana grow site registered under ORS 475B.420 are located at the
11 same address, each person responsible for a marijuana grow site located at the address, may apply
12 for a license under ORS 475B.070 to transition, **before the operative date specified in section 41**
13 **of this 2017 Act**, from being registered by the Oregon Health Authority to being licensed by the
14 commission;

15 (b) A marijuana processing site registered under ORS 475B.435 may apply for a license under
16 ORS 475B.090 to transition, **before the operative date specified in section 41 of this 2017 Act**,
17 from being registered by the authority to being licensed by the commission; and

18 (c) A medical marijuana dispensary registered under ORS 475B.450 may apply for a license un-
19 der ORS 475B.110 to transition, **before the operative date specified in section 41 of this 2017**
20 **Act**, from being registered by the authority to being licensed by the commission.

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

26 (A) May be delivered [*to a premises for which a license has been issued under ORS 475B.090,*
27 *475B.100 or 475B.110*] **as allowed under ORS 475B.160**; or

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

29 (b) Procedures adopted under this subsection must require a person responsible for a marijuana
30 grow site registered under ORS 475B.420, or, if multiple persons responsible for a marijuana grow
31 site registered under ORS 475B.420 are located at the same address, each person responsible for a
32 marijuana grow site located at the address, to return to an individual to whom a registry identifi-
33 cation card has been issued under ORS 475B.415, and for whom the person or persons are producing
34 marijuana, all the marijuana and usable marijuana owned by the individual, except as otherwise al-
35 lowed under a personal agreement entered into under ORS 475B.425[,]:

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

37 (B) **Before the operative date specified in section 41 of this 2017 Act.**

38 **SECTION 4.** A premises for which an application is submitted under ORS 475B.040, and
39 where a marijuana grow site registered under ORS 475B.420, a marijuana processing site
40 registered under ORS 475B.435 or medical marijuana dispensary registered under ORS
41 475B.450 is located on the date immediately preceding the date on which the applicant sub-
42 mits the application, is not subject to any state law or rule or local ordinance or regulation
43 that prohibits the premises from occupying that location if the law, rule, ordinance or reg-
44 ulation does not apply to the marijuana grow site, marijuana processing site or medical
45 marijuana dispensary on the date immediately preceding the date on which the applicant

1 submits the application.

2
3 (Amendments)
4 (Operative June 30, 2018)
5

6 **SECTION 5.** ORS 475B.410 is amended to read:

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

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

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

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

14 (a) A mechanical extraction process;

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

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

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

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

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

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

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

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

31 (6) "Debilitating medical condition" means:

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

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

37 (A) Cachexia;

38 (B) Severe pain;

39 (C) Severe nausea;

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

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

42 (c) Post-traumatic stress disorder; or

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

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

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

2 (b) Drying marijuana leaves or flowers.

3 [(21)] (17) "Registry identification card" means a document issued by the Oregon Health Au-
4 thority under ORS 475B.415 that identifies a person authorized to engage in the medical use of
5 marijuana and, if the person has a designated primary caregiver under ORS 475B.418, the person's
6 designated primary caregiver.

7 [(22)] (18) "Registry identification cardholder" means a person to whom a registry identification
8 card has been issued under ORS 475B.415.

9 [(23)(a)] (19)(a) "Usable marijuana" means the dried leaves and flowers of marijuana.

10 (b) "Usable marijuana" does not include:

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

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

13 [(24)] (20) "Written documentation" means a statement signed by the attending physician of a
14 person diagnosed with a debilitating medical condition or copies of the person's relevant medical
15 records.

16 **SECTION 6.** ORS 475B.415, as amended by section 9, chapter 24, Oregon Laws 2016, and section
17 1, chapter 107, Oregon Laws 2016, is amended to read:

18 475B.415. (1) The Oregon Health Authority shall establish a program for the issuance of registry
19 identification cards to applicants who meet the requirements of this section.

20 (2) The authority shall issue a registry identification card to an applicant who is 18 years of age
21 or older if the applicant pays a fee in an amount established by the authority by rule and submits
22 to the authority an application containing the following information:

23 (a) Written documentation from the applicant's attending physician stating that the attending
24 physician has diagnosed the applicant as having a debilitating medical condition and that the med-
25 ical use of marijuana may mitigate the symptoms or effects of the applicant's debilitating medical
26 condition;

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

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

29 (d) Proof of residency, submitted in a form required by the authority by rule;

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

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

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

36 (3)(a) The authority shall issue a registry identification card to an applicant who is under 18
37 years of age if:

38 (A) The applicant pays the fee and submits the application described in subsection (2) of this
39 section; and

40 (B) The custodial parent or legal guardian who is responsible for the health care decisions of
41 the applicant signs and submits to the authority a written statement that:

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

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

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

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

5 (b) An applicant who is under 18 years of age may not [*apply to*] produce marijuana **for per-**
6 **sonal use** under [*subsection (2)(f) of this section*] **ORS 475B.400 to 475B.525.**

7 (4) The authority shall:

8 (a) On the date on which the authority receives an application described in subsection (2) **or**
9 **(3)** of this section, issue a receipt to the applicant verifying that the authority received an applica-
10 tion under subsection (2) or (3) of this section; and

11 (b) Approve or deny an application received under subsection (2) or (3) of this section within
12 30 days after receiving the application.

13 (5)(a) If the authority approves an application **received under subsection (2) or (3) of this**
14 **section**, the authority shall issue a serially numbered registry identification card to the applicant
15 within five days after approving the application. The registry identification card must include the
16 following information:

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

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

19 (C) If the registry identification cardholder **has a** designated [*a*] primary caregiver under ORS
20 475B.418, the name and address of the registry identification cardholder's designated primary
21 caregiver; and

22 (D) Any other information required by the authority by rule.

23 (b) If [*the*] **a** registry identification cardholder **has a** designated [*a*] primary caregiver under ORS
24 475B.418, the authority shall issue an identification card to the designated primary caregiver. The
25 identification card must contain the information [*required by*] **described in** paragraph (a) of this
26 subsection.

27 (6) A registry identification cardholder shall:

28 (a) In a form and manner prescribed by the authority, notify the authority of any change con-
29 cerning the registry identification cardholder's:

30 (A) Name, address or attending physician; **or**

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

33 [*(C) Person responsible for a marijuana grow site, including the designation of a person responsi-*
34 *ble for a marijuana grow site made at a time other than at the time of applying for or renewing a*
35 *registry identification card.*]

36 (b) Annually renew the registry identification card by paying a fee in an amount established by
37 the authority by rule and submitting to the authority an application that contains the following in-
38 formation:

39 (A) Updated written documentation from the registry identification cardholder's attending phy-
40 sician stating that the registry identification cardholder still has a debilitating medical condition
41 and that the medical use of marijuana may mitigate the symptoms or effects of the registry iden-
42 tification cardholder's debilitating medical condition;

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

44 (C) If the registry identification cardholder is under 18 years of age, a statement signed by the
45 custodial parent or legal guardian of the registry identification cardholder that meets the require-

1 ments of subsection (3) of this section.

2 (7) The authority shall:

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

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

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

13 (b) If, because of circumstances beyond the control of the registry identification cardholder, a
14 registry identification cardholder is unable to obtain a second medical opinion about the registry
15 identification cardholder's continuing eligibility for the medical use of marijuana before having to
16 return the registry identification card to the authority, the authority may grant the registry iden-
17 tification cardholder additional time to obtain a second medical opinion.

18 (9)(a) The authority may deny an application for a registry identification card or an application
19 to renew a registry identification card, or may suspend or revoke a registry identification card, if:

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

22 (B) The authority determines that the applicant or registry identification cardholder provided
23 false information; or

24 (C) The authority determines that the applicant or registry identification cardholder violated a
25 provision of ORS 475B.400 to 475B.525 or a rule adopted under ORS 475B.400 to 475B.525.

26 (b) If a registry identification card is revoked, any associated identification card issued under
27 subsection (5)(b) of this section[, or *marijuana grow site registration card issued under ORS 475B.420*
28 (6), *shall*] also **must** be revoked.

29 (c) A person whose application is denied, or whose registry identification card is revoked, under
30 this subsection may not reapply for a registry identification card for six months from the date of the
31 denial or revocation unless otherwise authorized by the authority.

32 (10)(a) The authority may deny a designation of a primary caregiver made under ORS 475B.418,
33 or suspend or revoke an associated identification card issued under subsection (5)(b) of this section,
34 if the authority determines that the designee or the registry identification cardholder violated a
35 provision of ORS 475B.400 to 475B.525 or a rule adopted under ORS 475B.400 to 475B.525.

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

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

44 (b) Notwithstanding subsection (6)(b)(A) of this section, the requirement that a registry identifi-
45 cation cardholder include in the application to renew a registry identification card updated written

1 documentation from the cardholder's attending physician regarding the cardholder's continuing de-
2 bilitating medical condition does not apply to a service-disabled veteran who:

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

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

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

14 **SECTION 7.** ORS 475B.428, as amended by section 23, chapter 24, Oregon Laws 2016, is
15 amended to read:

16 475B.428. (1) *[Subject to subsection (2) of this section,]* A registry identification cardholder and
17 the designated primary caregiver of the registry identification cardholder may jointly possess six
18 or fewer mature marijuana plants.

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

21 *[(b) A person who is designated to produce marijuana by a registry identification cardholder may
22 produce no more than six mature marijuana plants for a registry identification cardholder who desig-
23 nates the person to produce marijuana.]*

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

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

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

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

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

37 *[(b) Subject to subsections (5) and (6) of this section, if each person responsible for a marijuana
38 grow site located at the address first registered with the authority under ORS 475B.420 before January
39 1, 2015, no more than the amount of mature marijuana plants located at that address on December 31,
40 2014, in excess of 48 mature marijuana plants, not to exceed 96 mature marijuana plants, may be
41 produced at the address.]*

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

44 *[(a) No more than 12 mature marijuana plants may be subsequently produced at any address de-
45 scribed in subsection (3) of this section at which the person responsible for that marijuana grow site*

1 *produces marijuana.]*

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

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

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

16 *[(8)] (2) If a law enforcement officer determines that a registry identification cardholder[,] and*
17 *the designated primary caregiver of [a] the registry identification cardholder[, or a person respon-*
18 *sible for a marijuana grow site under ORS 475B.420 who grows marijuana for a registry identification*
19 *cardholder, possesses] jointly possess a number of mature marijuana plants in excess of the [quan-*
20 *tities] quantity specified in subsection (1) of this section, the law enforcement officer may confis-*
21 *cate only the excess number of mature marijuana plants.*

22 **SECTION 8.** ORS 475B.430 is amended to read:

23 475B.430. (1) *[Except as provided in subsection (2) of this section,] A registry identification*
24 *cardholder and the designated primary caregiver of the registry identification cardholder may jointly*
25 *possess no more than 24 ounces of usable marijuana.*

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

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

33 *[(a) For a marijuana growsite located outdoors, 12 pounds of usable marijuana per mature*
34 *marijuana plant; or]*

35 *[(b) For a marijuana growsite located indoors, six pounds of usable marijuana per mature*
36 *marijuana plant.]*

37 **(2) If a law enforcement officer determines that a registry identification cardholder and**
38 **the designated primary caregiver of the registry identification cardholder jointly possess an**
39 **amount of usable marijuana in excess of the quantity specified in subsection (1) of this sec-**
40 **tion, the law enforcement officer may confiscate only the excess amount of usable**
41 **marijuana.**

42 **SECTION 9.** ORS 475B.433 is amended to read:

43 475B.433. A person to whom a registry identification card has been issued under ORS 475B.415
44 (5)(a)[, **or** an identification card has been issued under ORS 475B.415 (5)(b)[, *or a marijuana grow*
45 *site registration card has been issued under ORS 475B.420,] may not possess marijuana, usable*

1 marijuana, medical cannabinoid products, cannabinoid concentrates or cannabinoid extracts in a
 2 location other than *[the]* **an** address on file with the Oregon Health Authority unless the person is
 3 carrying the card.

4 **SECTION 10.** ORS 475B.445 is amended to read:

5 475B.445. (1) *[ORS 475B.435 does not apply to a registry identification cardholder or a person who*
 6 *has been designated as a primary caregiver under ORS 475B.418 who processes a medical cannabinoid*
 7 *product or a cannabinoid concentrate for a registry identification cardholder.]* **A registry identifica-**
 8 **tion cardholder may process for the registry identification cardholder's personal use, or a**
 9 **person who is the designated primary caregiver under ORS 475B.418 of the registry identifi-**
 10 **cation cardholder may process for the registry identification cardholder's personal use, usa-**
 11 **ble marijuana belonging to the registry identification cardholder into a medical cannabinoid**
 12 **product or cannabinoid concentrate.**

13 **(2) A registry identification cardholder may not process for the registry identification**
 14 **cardholder's personal use, and a person who is the designated primary caregiver under ORS**
 15 **475B.418 of the registry identification cardholder may not process for the registry identifi-**
 16 **cation cardholder's personal use, usable marijuana belonging to the registry identification**
 17 **cardholder into a cannabinoid extract.**

18 **SECTION 11.** ORS 475B.460 is amended to read:

19 475B.460. (1)(a) The Oregon Health Authority shall establish and maintain a list of:

20 (A) The names of persons to whom a registry identification card has been issued under ORS
 21 475B.415; **and**

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

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

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

27 (c) The authority shall develop a system by which authorized employees of state and local law
 28 enforcement agencies may verify that:

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

30 (B) A person is the designated primary caregiver of a lawful possessor of a registry identifica-
 31 tion card[; *or*].

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

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

35 (a) Authorized employees of the authority as necessary to perform official duties of the author-
 36 ity.

37 (b) Authorized employees of state or local law enforcement agencies who provide to the au-
 38 thority adequate identification, but only as necessary to verify that:

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

40 (B) A person is the designated primary caregiver of a lawful possessor of a registry identifica-
 41 tion card[; *or*].

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

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

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

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

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

5 (4) In addition to releasing information to authorized employees of state or local law enforce-
6 ment agencies for purposes of verifying information under subsection (2)(b) of this section, the au-
7 thority may release to authorized employees of state or local law enforcement agencies the minimum
8 amount of information necessary to enable an employee to determine whether an individual or lo-
9 cation is in compliance with a provision of ORS 475B.400 to 475B.525 or a rule adopted under ORS
10 475B.400 to 475B.525.

11 (5) If the authority determines, after conducting an investigation or receiving a complaint of an
12 alleged violation of a provision of ORS 475B.400 to 475B.525 or a rule adopted under ORS 475B.400
13 to 475B.525, that a violation of a provision of ORS 475B.400 to 475B.525 or a rule adopted under
14 ORS 475B.400 to 475B.525 has occurred, the authority may provide information obtained by the au-
15 thority, except for information related to a registry identification cardholder's debilitating condition,
16 to authorized employees of state or local law enforcement agencies, or to another state or local
17 government agency with jurisdiction over the matter.

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

19 475B.475. Except as provided in ORS 475B.478, a person engaged in or assisting in the medical
20 use of marijuana is exempt from the criminal laws of this state for possession, delivery or manu-
21 facture of marijuana, aiding and abetting another in the possession, delivery or manufacture of
22 marijuana, or any other criminal offense in which possession, delivery or manufacture of marijuana
23 is an element if:

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

25 (2) The person has applied for a registry identification card under ORS 475B.415 and the person
26 has proof of written documentation described in ORS 475B.415 (2)(a) and proof of the date on which
27 the person submitted the application to the Oregon Health Authority. An exemption under this
28 subsection applies only until the authority approves or denies the application.

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

30 [*(4) The person is responsible for or is employed by a marijuana grow site registered under ORS*
31 *475B.420.*]

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

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

34 **SECTION 13.** ORS 475B.478 is amended to read:

35 475B.478. A person is not exempt from the criminal laws of this state for possession, delivery
36 or manufacture of marijuana, aiding and abetting another in the possession, delivery or manufacture
37 of marijuana, or any other criminal offense in which possession, delivery or manufacture of
38 marijuana is an element, and the person may not assert the affirmative defense established in ORS
39 475B.480, if the person, in connection with conduct constituting an element of the offense:

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

41 (2) Engages in the medical use of marijuana in a public place, as defined in ORS 161.015, in
42 public view or in a correctional facility, as defined in ORS 162.135 (2), or a youth correction facility,
43 as defined in ORS 162.135 (6); or

44 (3) Delivers marijuana to any individual who the person knows is not in possession of a registry
45 identification card [*or to any individual or entity that the person knows has not been designated to*

1 receive marijuana or assigned a possessory interest in marijuana by an individual in possession of a
2 registry identification card].

3 **SECTION 14.** ORS 475B.480 is amended to read:

4 475B.480. (1) Except as provided in ORS 475B.478, a person has an affirmative defense to a
5 criminal charge of possession, delivery or manufacture of marijuana, or any other criminal offense
6 in which possession, delivery or manufacture of marijuana is an element, if the person charged with
7 the offense:

8 (a) Was diagnosed with a debilitating medical condition within 12 months of the date on which
9 the person was arrested and was advised by the person's attending physician that the medical use
10 of marijuana may mitigate the symptoms or effects of that debilitating medical condition;

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

12 (c) Possesses, delivers or manufactures marijuana only in quantities permitted under ORS
13 475B.428 **and 475B.430.**

14 (2) A person does not need to lawfully possess a registry identification card to assert the affir-
15 mative defense established in this section.

16 (3) A person engaged in the medical use of marijuana who claims that marijuana provides med-
17 ically necessary benefits and who is charged with a crime pertaining to the use of marijuana is not
18 precluded from presenting a defense of choice of evils, as set forth in ORS 161.200, or from pre-
19 senting evidence supporting the necessity of marijuana for treatment of a specific disease or medical
20 condition, provided that:

21 (a) The person possesses, delivers or manufactures marijuana only as permitted under ORS
22 475B.428 [(1)] **and 475B.430;** and

23 (b) The person has taken a substantial step toward complying with the provisions of ORS
24 475B.400 to 475B.525.

25 (4) A defendant proposing to use the affirmative defense established in this section in a criminal
26 action shall, not less than five days before the trial [of the cause,] **for the criminal action,** file and
27 serve upon the district attorney a written notice of the intention to assert the affirmative defense.
28 The notice must specifically state the reasons why the defendant is entitled to assert the affirmative
29 defense and the factual basis for the affirmative defense. If the defendant fails to file and serve the
30 notice, the defendant is not permitted to assert the affirmative defense at the trial [of the cause] **for**
31 **the criminal action** unless the court orders, for good cause, otherwise.

32 **SECTION 15.** ORS 475B.490, as amended by section 20a, chapter 23, Oregon Laws 2016, is
33 amended to read:

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

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

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

11 **SECTION 16.** ORS 475B.507 is amended to read:

12 475B.507. The Oregon Health Authority[, *the State Department of Agriculture and the Oregon*
 13 *Liquor Control Commission,*] and the officers, employees and agents of the authority[, *department and*
 14 *commission,*] are immune from any cause of action for the performance of, or the failure to perform,
 15 duties required by ORS 475B.400 to 475B.525.

16 **SECTION 17.** ORS 475B.510 is amended to read:

17 475B.510. The Oregon Health Authority[, *the State Department of Agriculture and the Oregon*
 18 *Liquor Control Commission*] may possess, seize or dispose of marijuana, usable marijuana, medical
 19 cannabinoid products, cannabinoid concentrates and cannabinoid extracts as is necessary for the
 20 authority to ensure compliance with and enforce the provisions of ORS 475B.400 to 475B.525 and
 21 any rule adopted under ORS 475B.400 to 475B.525.

22
 23 **(Repeals)**
 24 **(Operative June 30, 2018)**
 25

26 **SECTION 18.** ORS 475B.420, 475B.423, 475B.425, 475B.435, 475B.438, 475B.440, 475B.443,
 27 475B.450, 475B.453, 475B.455, 475B.458, 475B.462, 475B.464, 475B.468, 475B.469, 475B.470,
 28 475B.495, 475B.500 and 475B.505, sections 13, 14, 20 and 22, chapter 23, Oregon Laws 2016,
 29 section 25, chapter 24, Oregon Laws 2016, and section 29, chapter 83, Oregon Laws 2016, are
 30 repealed.

31
 32 **CONFORMING AMENDMENTS AND REPEALS**
 33 **OPERATIVE JUNE 30, 2018**
 34

35 **SECTION 19.** ORS 475B.063, as amended by section 11, chapter 24, Oregon Laws 2016, is
 36 amended to read:

37 475B.063. (1) Prior to receiving a license under ORS 475B.070, 475B.090, 475B.100 or 475B.110,
 38 an applicant shall request a land use compatibility statement from the city or county that authorizes
 39 the land use. The land use compatibility statement must demonstrate that the requested license is
 40 for a land use that is allowable as a permitted or conditional use within the given zoning designation
 41 where the land is located. The Oregon Liquor Control Commission may not issue a license if the
 42 land use compatibility statement shows that the proposed land use is prohibited in the applicable
 43 zone.

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

1 of:

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

3 (b) Final local permit approval, if the land use is allowable as a conditional use.

4 (3) A city or county that receives a request for a land use compatibility statement under this
5 section is not required to act on that request during the period that the commission discontinues
6 licensing those premises pursuant to ORS 475B.800 [(4)(b)] (4).

7 (4) A city or county action concerning a land use compatibility statement under this section is
8 not a land use decision for purposes of ORS chapter 195, 196, 197, 215 or 227.

9 **SECTION 20.** ORS 475B.160, as amended by section 23, chapter 23, Oregon Laws 2016, section
10 65, chapter 24, Oregon Laws 2016, and section 12, chapter 83, Oregon Laws 2016, is amended to
11 read:

12 475B.160. (1) *[Except as provided in section 22, chapter 23, Oregon Laws 2016, and section 2,*
13 *chapter 83, Oregon Laws 2016,]* A marijuana producer, marijuana processor or marijuana wholesaler
14 may deliver marijuana items only to or on a premises.

15 (2) A premises may receive marijuana items only from:

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

18 (b) A researcher of cannabis certified under ORS 475B.235 who transfers limited amounts of
19 marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid ex-
20 tracts in accordance with procedures adopted under ORS 475B.235 (3)(d) and (e)[; or].

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

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

29 **SECTION 21.** ORS 475B.235, as amended by section 24, chapter 23, Oregon Laws 2016, and
30 section 12, chapter 24, Oregon Laws 2016, is amended to read:

31 475B.235. (1) The Oregon Liquor Control Commission, in consultation with the Oregon Health
32 Authority and the State Department of Agriculture, shall establish a program for the purpose of
33 identifying and certifying private and public researchers of cannabis.

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

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

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

39 (a) Qualifications for certification under this section;

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

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

42 (d) Procedures for tracking marijuana, usable marijuana, cannabinoid products, cannabinoid
43 concentrates and cannabinoid extracts received by and disposed or otherwise made use of by a
44 person certified under this section; and

45 (e) Procedures for disposing or otherwise making use of marijuana, usable marijuana,

1 cannabinoid products, cannabinoid concentrates and cannabinoid extracts.

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

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

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

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

9 (5) In adopting procedures under subsection (3)(d) and (e) of this section with respect to making
10 use of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and
11 cannabinoid extracts, the commission shall also adopt procedures by which a person certified under
12 this section may transfer limited amounts of marijuana, usable marijuana, cannabinoid products,
13 cannabinoid concentrates and cannabinoid extracts to another person certified under this section
14 or to a premises for which a license has been issued under ORS 475B.070, 475B.090, 475B.100 or
15 475B.110.

16 *[(6) In adopting procedures under subsection (3)(d) and (e) of this section with respect to making
17 use of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid
18 extracts, the commission shall also adopt procedures by which a person certified under this section may
19 give, devise or bequest usable marijuana, immature marijuana plants, seeds, cannabinoid products,
20 cannabinoid concentrates and cannabinoid extracts to a medical marijuana dispensary registered with
21 the authority under ORS 475B.450 and owned by a nonprofit corporation organized under ORS chap-
22 ter 65 for purposes described in section 22, chapter 23, Oregon Laws 2016.]*

23 [(7)] (6) A person certified under this section:

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

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

29 [(8)] (7) Except as otherwise provided by the commission by rule, rules adopted by the commis-
30 sion for the purpose of administering and enforcing ORS 475B.010 to 475B.395 with respect to
31 licensees and licensee representatives apply to persons certified under this section and persons em-
32 ployed by or who otherwise perform work for persons certified under this section.

33 [(9)] (8) A person who is certified under this section, and an employee of or other person who
34 performs work for a person certified under this section, is exempt from the criminal laws of this
35 state for possession, delivery or manufacture of marijuana, aiding and abetting another in the pos-
36 session, delivery and manufacture of marijuana, or any other criminal offense in which possession,
37 delivery or manufacture of marijuana is an element, while performing activities related to conduct-
38 ing research as described in this section.

39 **SECTION 22.** ORS 475B.245, as amended by section 27, chapter 23, Oregon Laws 2016, section
40 36, chapter 24, Oregon Laws 2016, and section 13, chapter 83, Oregon Laws 2016, is amended to
41 read:

42 475B.245. ORS 475B.025, 475B.030, 475B.033, 475B.035, 475B.040, 475B.045, 475B.050, 475B.055,
43 475B.060, 475B.063, 475B.065, 475B.068, 475B.070, 475B.075, 475B.090, 475B.100, 475B.110, 475B.115,
44 475B.125, 475B.130, 475B.135, 475B.140, 475B.145, 475B.150, 475B.160, 475B.165, 475B.170, 475B.180,
45 475B.190, 475B.195, 475B.200, 475B.205, 475B.210, 475B.215, 475B.218, 475B.230, 475B.233, 475B.235,

1 475B.240, 475B.325, 475B.330, 475B.335, 475B.340, 475B.345, 475B.350, 475B.353, 475B.355, 475B.358,
2 475B.360, 475B.365, 475B.370 and 475B.373 and sections 2, 3, 4 and 5, chapter 83, Oregon Laws 2016,
3 do not apply:

4 (1) To the production or storage of homegrown marijuana at a household by one or more persons
5 21 years of age and older, if the total amount of homegrown marijuana at the household does not
6 exceed four marijuana plants at any time.

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

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

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

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

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

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

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

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

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

35 **SECTION 23.** ORS 475B.340, as amended by section 4, chapter 23, Oregon Laws 2016, and sec-
36 tion 66, chapter 24, Oregon Laws 2016, is amended to read:

37 475B.340. (1) For purposes of this section, “reasonable regulations” includes:

38 (a) Reasonable conditions on the manner in which a marijuana producer licensed under ORS
39 475B.070 may produce marijuana or in which a person who holds a certificate issued under ORS
40 475B.235 may produce marijuana or propagate immature marijuana plants;

41 (b) Reasonable conditions on the manner in which a marijuana processor licensed under ORS
42 475B.090 may process marijuana or in which a person who holds a certificate issued under ORS
43 475B.235 may process marijuana;

44 (c) Reasonable conditions on the manner in which a marijuana wholesaler licensed under ORS
45 475B.100 may sell marijuana at wholesale;

1 (d) Reasonable conditions on the manner in which a marijuana retailer licensed under ORS
2 475B.110 may sell marijuana items;

3 (e) Reasonable limitations on the hours during which a premises for which a license has been
4 issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110 may operate;

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

7 (g) Reasonable limitations on where a premises for which a license or certificate may be issued
8 under ORS 475B.070, 475B.090, 475B.100, 475B.110 or 475B.235 may be located; **and**

9 **(h) Whether marijuana may be produced, processed or sold for medical purposes only.**

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

16 (a) Adopt an ordinance that prohibits a premises for which a license has been issued under ORS
17 475B.110 from being located within a distance that is greater than 1,000 feet of another premises for
18 which a license has been issued under ORS 475B.110.

19 (b) Adopt an ordinance after January 1, 2015, that imposes a setback requirement for an agri-
20 cultural building used to produce marijuana located on a premises for which a license has been is-
21 sued under ORS 475B.070 if the agricultural building:

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

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

26 *[(C)] (B)* Was used to produce marijuana pursuant to the provisions of ORS 475B.400 to 475B.525
27 on or before January 1, 2015; and

28 *[(D)] (C)* Has four opaque walls and a roof.

29 **SECTION 24.** ORS 475B.370, as amended by section 3, chapter 23, Oregon Laws 2016, is
30 amended to read:

31 475B.370. (1) Marijuana is:

32 (a) A crop for the purposes of "farm use" as defined in ORS 215.203;

33 (b) A crop for purposes of a "farm" and "farming practice," both as defined in ORS 30.930;

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

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

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

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

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

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

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

1 (4) This section applies to:

2 (a) Marijuana producers licensed under ORS 475B.070; **and**

3 [(b) *Persons registered under ORS 475B.420 and designated to produce marijuana by one or more*
4 *persons who hold valid registry identification cards issued under ORS 475B.415; and*]

5 [(c)] (b) For the purpose of producing marijuana or propagating immature marijuana plants,
6 persons who hold certificates under ORS 475B.235.

7 **SECTION 25.** 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 under
13 the Oregon Medical Marijuana Act.

14 **SECTION 26.** ORS 475B.555 is amended to read:

15 475B.555. (1) As is necessary to protect the public health and safety, and in consultation with
16 the Oregon Liquor Control Commission and the State Department of Agriculture, the Oregon Health
17 Authority shall adopt rules:

18 (a) Establishing standards for testing marijuana items.

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

22 (A) Microbiological contaminants;

23 (B) Pesticides;

24 (C) Other contaminants;

25 (D) Solvents or residual solvents; and

26 (E) Tetrahydrocannabinol and cannabidiol concentration.

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

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

31 (2) In addition to the testing requirements established under subsection (1) of this section, [*the*
32 *authority or*] the commission may require cannabinoid edibles to be tested in accordance with any
33 applicable law of this state, or any applicable rule adopted under a law of this state, related to the
34 production and processing of food products or commodities.

35 [(3) *In adopting rules under ORS 475B.400 to 475B.525, the authority may require:*]

36 [(a) *A person responsible for a marijuana grow site under ORS 475B.420 to test usable marijuana*
37 *before transferring the usable marijuana to a registrant other than an individual who holds a registry*
38 *identification card under ORS 475B.415; and*]

39 [(b) *A person processing marijuana to test cannabinoid products or cannabinoid concentrates or*
40 *extracts before transferring the cannabinoid products or cannabinoid concentrates or extracts to a*
41 *registrant other than an individual who holds a registry identification card under ORS 475B.415.*]

42 [(4)] (3) In adopting rules under ORS 475B.010 to 475B.395, the commission may require:

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

1 (b) A marijuana processor that holds a license under ORS 475B.090 or a marijuana wholesaler
 2 that holds a license under ORS 475B.100 to test cannabinoid products or cannabinoid concentrates
 3 or extracts before selling or transferring the cannabinoid products or cannabinoid concentrates or
 4 extracts.

5 [(5)] (4) [*The authority and*] The commission may conduct random testing of marijuana items for
 6 the purpose of determining whether [*a person subject to testing under subsection (3) of this section*
 7 *or*] a licensee subject to testing under subsection [(4)] (3) of this section is in compliance with this
 8 section.

9 [(6)] (5) In adopting rules to implement **subsection (3) of** this section, the [*authority and*] com-
 10 mission may not require a marijuana item to undergo the same test more than once unless the
 11 marijuana item is processed into a different type of marijuana item or the condition of the marijuana
 12 item has fundamentally changed.

13 [(7)] (6) The testing of marijuana items as required by this section must be conducted by a lab-
 14 oratory licensed by the commission under ORS 475B.560 and accredited by the authority under ORS
 15 475B.565.

16 [(8)] (7) In adopting rules under subsection (1) of this section, the authority:

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

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

21 **SECTION 27.** ORS 475B.570 is amended to read:

22 475B.570. [*ORS 475B.550 to 475B.590 do not apply to:*]

23 [(1) *A person responsible for a marijuana grow site under ORS 475B.420 if the person is trans-*
 24 *ferring usable marijuana or an immature marijuana plant, as defined in ORS 475B.015, to:*]

25 [(a) *A person who holds a registry identification card under ORS 475B.415 and who designated*
 26 *the person responsible for the marijuana grow site to grow marijuana for the person who holds a*
 27 *registry identification card; or*]

28 [(b) *A person who has been designated as the primary caregiver under ORS 475B.418 of a person*
 29 *who holds a registry identification card under ORS 475B.415 and who designated the person respon-*
 30 *sible for the marijuana grow site to grow marijuana for the person who holds a registry identification*
 31 *card; or*]

32 [(2)] **ORS 475B.550 to 475B.590 do not apply to** a person who [*has been*] **is the** designated [*as*
 33 *the*] primary caregiver under ORS 475B.418 of a person who holds a registry identification card un-
 34 der ORS 475B.415 if the person is transferring a marijuana item to the person who holds a registry
 35 identification card.

36 **SECTION 28.** ORS 475B.605 is amended to read:

37 475B.605. (1) As is necessary to protect the public health and safety, and in consultation with
 38 the Oregon Liquor Control Commission and the State Department of Agriculture, the Oregon Health
 39 Authority shall adopt rules establishing standards for the labeling of marijuana items, including but
 40 not limited to:

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

43 (A) Health and safety warnings;

44 (B) Activation time;

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

1 (D) Potency;

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

5 (F) Content of the marijuana item; and

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

9 *[(2) In adopting rules under ORS 475B.400 to 475B.525, the authority shall require all usable
10 marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical
11 marijuana dispensary registered under ORS 475B.450 to be labeled in accordance with subsection (1)
12 of this section and rules adopted under subsection (1) of this section.]*

13 *[(3)] (2)* In adopting rules under ORS 475B.010 to 475B.395, the commission shall require all us-
14 able marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or transferred
15 by a marijuana retailer that holds a license under ORS 475B.110 to be labeled in accordance with
16 subsection (1) of this section and rules adopted under subsection (1) of this section.

17 *[(4)] (3)* In adopting rules under subsection (1) of this section, the authority:

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

20 *[(b) May establish different minimum labeling standards for persons registered under ORS
21 475B.400 to 475B.525 and persons licensed under ORS 475B.010 to 475B.395;]*

22 *[(c)] (b)* Shall consider the cost of a potential requirement and how that cost will affect the cost
23 to the ultimate consumer of the marijuana item; and

24 *[(d)] (c)* May not adopt rules that are more restrictive than is reasonably necessary to protect
25 the public health and safety.

26 **SECTION 29.** ORS 475B.610 is amended to read:

27 475B.610. (1) As used in this section[:],

28 *[(a)]* “licensee” has the meaning given that term in ORS 475B.015.

29 *[(b)]* “Registrant” means a person registered under ORS 475B.400 to 475B.525.]

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

35 (3) The commission may impose a fee for submitting a label for preapproval under this section
36 that is reasonably calculated to not exceed the cost of administering this section.

37 **SECTION 30.** ORS 475B.615 is amended to read:

38 475B.615. (1) As is necessary to protect the public health and safety, and in consultation with
39 the Oregon Health Authority and the State Department of Agriculture, the Oregon Liquor Control
40 Commission shall adopt rules establishing standards for the packaging of marijuana items, including
41 but not limited to:

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

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

45 (B) Not marketed in a manner that:

- 1 (i) Is untruthful or misleading;
 2 (ii) Is attractive to minors; or
 3 (iii) Otherwise creates a significant risk of harm to public health and safety; and

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

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

10 [(3)] (2) In adopting rules under ORS 475B.010 to 475B.395, the commission shall require all us-
 11 able marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or transferred
 12 by a marijuana retailer that holds a license under ORS 475B.110 to be packaged in accordance with
 13 subsection (1) of this section and rules adopted under subsection (1) of this section.

14 [(4)] (3) In adopting rules under subsection (1) of this section the commission:

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

17 [(b) *May establish different minimum packaging standards for persons registered under ORS*
 18 *475B.400 to 475B.525 and persons licensed under ORS 475B.010 to 475B.395;*]

19 [(c)] (b) May consider the effect on the environment of requiring certain packaging;

20 [(d)] (c) Shall consider the cost of a potential requirement and how that cost will affect the cost
 21 to the ultimate consumer of the marijuana item; and

22 [(e)] (d) May not adopt rules that are more restrictive than is reasonably necessary to protect
 23 the public health and safety.

24 **SECTION 31.** ORS 475B.620 is amended to read:

25 475B.620. (1) As used in this section[:],

26 [(a)] “licensee” has the meaning given that term in ORS 475B.015.

27 [(b) “*Registrant*” means a person registered under ORS 475B.400 to 475B.525.]

28 (2) The Oregon Liquor Control Commission may by rule require a licensee[, *and the Oregon*
 29 *Health Authority may by rule require a registrant,*] to submit packaging intended for a marijuana item
 30 for preapproval by the commission before the licensee [*or registrant*] may sell or transfer a
 31 marijuana item packaged in the packaging. The commission shall determine whether packaging
 32 submitted under this section complies with ORS 475B.615 and any rule adopted under ORS 475B.615.

33 (3) The commission may impose a fee for submitting packaging for preapproval under this sec-
 34 tion that is reasonably calculated to not exceed the cost of administering this section.

35 **SECTION 32.** ORS 475B.625, as amended by section 15, chapter 83, Oregon Laws 2016, is
 36 amended to read:

37 475B.625. (1) The Oregon Health Authority shall adopt rules establishing:

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

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

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

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

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

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

7 *[(3) In adopting rules under ORS 475B.400 to 475B.525, the authority shall require all usable
8 marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical
9 marijuana dispensary registered under ORS 475B.450 to meet the concentration standards and pack-
10 aging standards adopted by rule pursuant to this section.]*

11 *[(4) (3) In adopting rules under ORS 475B.010 to 475B.395, the Oregon Liquor Control Com-
12 mission shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and
13 extracts sold or transferred by a marijuana retailer that holds a license under ORS 475B.110 to meet
14 the concentration standards and packaging standards adopted by rule pursuant to this section.*

15 **SECTION 33.** ORS 475B.630 is amended to read:

16 475B.630. *[ORS 475B.600 to 475B.655 do not apply to:]*

17 *[(1) A person responsible for a marijuana grow site under ORS 475B.420 if the person is trans-
18 ferring usable marijuana or an immature marijuana plant, as defined in ORS 475B.015, to:]*

19 *[(a) A person who holds a registry identification card under ORS 475B.415 and who designated
20 the person responsible for the marijuana grow site to grow marijuana for the person who holds a
21 registry identification card; or]*

22 *[(b) A person who has been designated as the primary caregiver under ORS 475B.418 of a person
23 who holds a registry identification card under ORS 475B.415, and who designated the person respon-
24 sible for the marijuana grow site to grow marijuana for the person who holds a registry identifica-
25 tion card; or]*

26 *[(2) **ORS 475B.600 to 475B.655 do not apply to** a person who *[has been]* **is the** designated *[as*
27 *the]* primary caregiver under ORS 475B.418 of a person who holds a registry identification card un-
28 der ORS 475B.415 if the person is transferring a marijuana item to the person who holds a registry
29 identification card.*

30 **SECTION 34.** ORS 475B.800, as amended by section 31, chapter 24, Oregon Laws 2016, is
31 amended to read:

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

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

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

38 *[(c) (a) Marijuana producers licensed under ORS 475B.070;*

39 *[(d) (b) Marijuana processors licensed under ORS 475B.090;*

40 *[(e) (c) Marijuana wholesalers licensed under ORS 475B.100;*

41 *[(f) (d) Marijuana retailers licensed under ORS 475B.110; or*

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

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

1 (3) If the governing body of a city or county adopts an ordinance under this section, the gov-
 2 erning body must provide the text of the ordinance[:] **to the Oregon Liquor Control Commission,**
 3 **in a form and manner prescribed by the commission.**

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

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

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

12 [(b)] (4) Upon receiving notice of a prohibition under subsection (3) of this section, the commis-
 13 sion shall discontinue licensing those premises to which the prohibition applies until the date of the
 14 next statewide general election.

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

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

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

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

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

32 [(b) Has successfully completed a city or county land use application process.]

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

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

37 [(b) Has successfully completed a city or county land use application process.]

38 **SECTION 35.** Section 30, chapter 24, Oregon Laws 2016, is amended to read:

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

42 [(a) Marijuana processing sites registered under ORS 475B.435;]

43 [(b) Medical marijuana dispensaries registered under ORS 475B.450;]

44 [(c)] (a) Marijuana producers licensed under ORS 475B.070;

45 [(d)] (b) Marijuana processors licensed under ORS 475B.090;

1 [(e)] (c) Marijuana wholesalers licensed under ORS 475B.100;

2 [(f)] (d) Marijuana retailers licensed under ORS 475B.110; or

3 [(g)] (e) Any combination of the entities described in this subsection.

4 (2) If the governing body of a city or county repeals an ordinance under this section, the gov-
5 erning body must provide the text of the ordinance[:] **to the Oregon Liquor Control Commission,**
6 **in a form and manner prescribed by the commission.**

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

10 [(b) to the Oregon Liquor Control Commission, in a form and manner prescribed by the commis-
11 sion, if the ordinance concerns a premises for which a license has been issued under ORS 475B.070,
12 475B.090, 475B.100 or 475B.110.]

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

14 **Sec. 33.** (1) As used in this section, “designated primary caregiver,” “immature marijuana
15 plant,” “marijuana,” “medical cannabinoid product” and “registry identification cardholder” have
16 the meanings given those terms in ORS 475B.410.

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

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

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

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

24 (B) Jointly possess [*up to six*] mature marijuana plants **in the quantity specified in** [*under*] ORS
25 475B.428 [(1)]; or

26 (C) Jointly possess [*up to 24 ounces of*] usable marijuana **in the quantity specified in** [*under*]
27 ORS 475B.430 [(1)].

28 **SECTION 37.** Section 2, chapter 83, Oregon Laws 2016, is amended to read:

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

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

34 (3) The commission shall register a marijuana producer for the purpose of producing marijuana
35 for medical purposes if the marijuana producer:

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

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

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

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

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

45 (A) Must be submitted to the commission in a manner prescribed by the commission;

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

3 (C) May require a registry identification cardholder, or a designated primary caregiver on behalf
4 of a registry identification cardholder, to reimburse a marijuana producer for all costs associated
5 with producing marijuana for the registry identification cardholder or providing usable marijuana
6 to the registry identification cardholder or designated primary caregiver;

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

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

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

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

19 (ii) Transferring or selling usable marijuana to [*marijuana processing sites or medical marijuana*
20 *dispensaries.*] **marijuana processors that hold a license issued under ORS 475B.090 and that**
21 **are registered under section 3, chapter 83, Oregon Laws 2016, marijuana wholesalers that**
22 **hold a license issued under ORS 475B.100 and that are registered under section 4, chapter**
23 **83, Oregon Laws 2016 and marijuana retailers that hold a license issued under ORS 475B.110**
24 **and that are registered under section 5, chapter 83, Oregon Laws 2016.**

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

29 (d)(A) Upon request by the commission, the Oregon Health Authority shall provide the commis-
30 sion, notwithstanding any laws relating to the confidentiality of information under ORS 475B.460
31 [*and 475B.462*], with the registration information of:

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

33 (ii) A registry identification cardholder[,] **or** designated primary caregiver[, *marijuana processing*
34 *site or medical marijuana dispensary that*] **who** receives usable marijuana pursuant to an agreement
35 entered into under this subsection.

36 (B) Registration information received by the commission under this paragraph that is confiden-
37 tial and not subject to public disclosure under ORS 475B.460 [*and 475B.462*] remains confidential and
38 not subject to public disclosure after being provided to the commission.

39 (e) Marijuana produced pursuant to an agreement entered into under this subsection is not
40 subject to rules restricting the size of mature marijuana plant grow canopies adopted by the com-
41 mission under ORS 475B.075.

42 (5)(a) The commission shall adopt rules necessary to administer this section, including rules:

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

45 (B) Limiting the amount of marijuana that may be produced under [*section*] **subsection (4)** of

1 this section;

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

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

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

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

11 **SECTION 38.** Section 2, chapter 97, Oregon Laws 2016, is amended to read:

12 **Sec. 2.** A financial institution that provides financial services customarily provided by financial
13 institutions pursuant to powers granted by ORS 717.200 to 717.320, 717.900 and 717.905, the Bank
14 Act or by ORS chapter 723 to [*a marijuana processing site registered under ORS 475B.435, a medical*
15 *marijuana dispensary registered under ORS 475B.450,*] a marijuana producer that holds a license
16 **issued** under ORS 475B.070, a marijuana processor that holds a license **issued** under ORS 475B.090,
17 a marijuana wholesaler that holds a license **issued** under ORS 475B.100, a marijuana retailer that
18 holds a license **issued** under ORS 475B.110, a laboratory that holds a license **issued** under ORS
19 475B.560 or a person to whom a permit has been issued under ORS 475B.218 is exempt from any
20 criminal law of this state an element of which may be proven by substantiating that a person pro-
21 vides financial services customarily provided by financial institutions pursuant to powers granted
22 by ORS 717.200 to 717.320, 717.900 and 717.905, the Bank Act or ORS chapter 723 to a person who
23 possesses, delivers or manufactures marijuana or marijuana derived products.

24 **SECTION 39.** Section 6, chapter 97, Oregon Laws 2016, is amended to read:

25 **Sec. 6.** Information received by a financial institution under section 3[, 4] or 5 [*of this 2016*
26 *Act*], **chapter 97, Oregon Laws 2016**, is confidential for purposes of ORS 717.200 to 717.320, 717.900
27 and 717.905, the Bank Act and ORS chapter 723. Except as otherwise required or permitted by the
28 provisions of ORS 192.583 to 192.607, 717.200 to 717.320, 717.900 and 717.905, or the Bank Act or
29 ORS chapter 723, or by other state law or rule or federal law or regulation, a financial institution
30 may not make the information available to any person other than:

31 (1) The customer to whom the information applies; and

32 (2) A trustee, conservator, guardian, personal representative or agent of the customer to whom
33 the information applies.

34 **SECTION 40. ORS 475B.580, 475B.640 and 475B.650 and section 2, chapter 23, Oregon Laws**
35 **2016, and section 4, chapter 97, Oregon Laws 2016, are repealed.**

37 OPERATIVE DATE

38
39 **SECTION 41. (1) The amendments to statutes and session laws by sections 5 to 17 and**
40 **19 to 39 of this 2017 Act and the repeal of statutes and session laws by sections 18 and 40 of**
41 **this 2017 Act become operative on June 30, 2018.**

42 **(2) The Oregon Liquor Control Commission and the Oregon Health Authority may take**
43 **any action before the operative date specified in subsection (1) of this section that is neces-**
44 **sary to enable the commission and authority to exercise, on and after the operative date**
45 **specified in subsection (1) of this section, all the duties, powers and functions conferred on**

1 the commission and authority by the amendments to statutes and session laws by sections
2 5 to 17 and 19 to 39 of this 2017 Act and the repeal of statutes and session laws by sections
3 18 and 40 of this 2017 Act.

4
5 **UNIT CAPTIONS**
6

7 **SECTION 42.** The unit captions used in this 2017 Act are provided only for the conven-
8 ience of the reader and do not become part of the statutory law of this state or express any
9 legislative intent in the enactment of this 2017 Act.

10
11 **EFFECTIVE DATE**
12

13 **SECTION 43.** This 2017 Act takes effect on the 91st day after the date on which the 2017
14 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.
15
