

Senate Bill 788

Sponsored by Senator PROZANSKI (at the request of Portland NORML)

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**.

Provides for regulation by Oregon Liquor Control Commission of consumption and sale of marijuana items at temporary events, including licensure of premises on which temporary events are held. Creates local option for certain cities and counties.

Provides for regulation by commission of consumption of marijuana items at cannabis lounges, including licensure of premises where cannabis lounges are located. Creates local option for certain cities and counties.

Excepts from prohibitions on public use, including restrictions set forth in Oregon Indoor Clean Air Act, consumption of marijuana items in designated areas of premises for which temporary event or cannabis lounge license has been issued.

Applies current law regulating licensed marijuana producers, processors, wholesalers and retailers to new types of licensees. Makes certain exceptions.

Becomes operative January 1, 2018.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to cannabis; creating new provisions; amending ORS 433.850, 475.752, 475.856, 475.858,
3 475.860, 475.862, 475.864, 475.904, 475B.015, 475B.025, 475B.033, 475B.040, 475B.055, 475B.060,
4 475B.065, 475B.068, 475B.075, 475B.125, 475B.130, 475B.135, 475B.140, 475B.150, 475B.160,
5 475B.165, 475B.170, 475B.180, 475B.185, 475B.200, 475B.205, 475B.210, 475B.215, 475B.218,
6 475B.230, 475B.233, 475B.235, 475B.255, 475B.260, 475B.265, 475B.280, 475B.310, 475B.325,
7 475B.340, 475B.345, 475B.355, 475B.365, 475B.370, 475B.399, 475B.575, 475B.605, 475B.615,
8 475B.625, 475B.635, 475B.645 and 475B.800 and section 22, chapter 23, Oregon Laws 2016,
9 sections 22, 25, 30, 41 and 47, chapter 24, Oregon Laws 2016, and sections 2 and 3, chapter 97,
10 Oregon Laws 2016; and prescribing an effective date.

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

NEW LICENSEES

(Temporary Event License)

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16 **SECTION 1. Sections 2 and 3 of this 2017 Act are added to and made a part of ORS**
17 **475B.010 to 475B.395.**

18 **SECTION 2. (1) The consumption and sale of marijuana items at a temporary event is**
19 **subject to regulation by the Oregon Liquor Control Commission.**

20 **(2) To hold a temporary event for the consumption of marijuana items, a person must**
21 **have a temporary event license issued by the commission for the premises at which a tem-**
22 **porary event is held. To hold a license under this section:**

23 **(a) The applicant:**

24 **(A) Must apply for the license in the manner described in ORS 475B.040;**

25 **(B) Must provide proof that the applicant is 21 years of age or older; and**

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 (C) Must submit a plan to the commission, in a form and manner prescribed by the
2 commission, detailing how persons under 21 years of age will be prevented from gaining ac-
3 cess to the premises where the temporary event is to be held;

4 (b) The premises where the temporary event is to be held:

5 (A) May not be located in an area that is zoned exclusively for residential use; and

6 (B) May not be located within 1,000 feet of:

7 (i) A public elementary or secondary school for which attendance is compulsory under
8 ORS 339.020; or

9 (ii) A private or parochial elementary or secondary school, teaching children as described
10 in ORS 339.030 (1)(a); and

11 (c) The applicant and the premises where the temporary event is to be held must meet
12 the requirements of any rule adopted by the commission under subsection (3) of this section.

13 (3) The commission shall adopt rules that:

14 (a) Establish application and licensure fees for a license issued under this section;

15 (b) Establish the maximum term of a license issued under this section;

16 (c) Prohibit licenses issued under this section from being continuously issued for a single
17 location;

18 (d) Require marijuana items sold on a premises for which a license has been issued under
19 this section to be sold by a marijuana retailer that holds a license issued under ORS 475B.110;

20 (e) Allow the consumption of marijuana items in designated areas of a premises for which
21 a license has been issued under this section;

22 (f) Prohibit the consumption and sale of alcoholic beverages and tobacco products on a
23 premises for which a license has been issued under this section;

24 (g) Prohibit the use of video lottery games as authorized under ORS 461.217, social games
25 as defined in ORS 167.117 and betting on a premises for which a license has been issued under
26 this section;

27 (h) Require each enclosed portion of a premises for which a license has been issued under
28 this section where marijuana items are smoked, aerosolized or vaporized to have a venti-
29 lation system that:

30 (A) Exhausts smoke, aerosols and vapors from that portion of the premises; and

31 (B) Is designed and terminated in accordance with state building code standards for the
32 applicable occupancy classification; and

33 (i) Require a premises for which a license has been issued under this section to meet any
34 public health and safety standards and industry best practices established by the commission
35 by rule.

36 (4) Fees adopted under subsection (3)(a) of this section:

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

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

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42 (Cannabis Lounges)

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44 **SECTION 3. (1) The consumption of marijuana items at a cannabis lounge is subject to**
45 **regulation by the Oregon Liquor Control Commission.**

1 designated for traditional ceremonies in accordance with the American Indian Religious Freedom
2 Act, 42 U.S.C. 1996.

3 (c) The smoking of tobacco products is permitted in a smoke shop.

4 (d) The smoking of cigars is permitted in a cigar bar that generated on-site retail sales of cigars
5 of at least \$5,000 for the calendar year ending December 31, 2006.

6 (e) A performer may smoke or carry a lighted smoking instrument that does not contain tobacco
7 or marijuana, and may aerosolize or vaporize a substance that does not contain nicotine or a
8 cannabinoid, while performing in a scripted stage, motion picture or television production if:

9 (A) The production is produced by an organization whose primary purpose is producing scripted
10 productions; and

11 (B) The act of smoking, aerosolizing or vaporizing is an integral part of the production.

12 (f) The medical use of marijuana is permitted in the place of employment of a licensee of a
13 professional licensing board as described in ORS 475B.485.

14 **(g) The smoking of marijuana and the aerosolizing or vaporizing of a substance that**
15 **contains cannabinoids is allowed in designated areas of a premises for which a license has**
16 **been issued under section 2 or 3 of this 2017 Act.**

17 (3) An employer, except in those places described in subsection (2) of this section, shall post
18 signs that provide notice of the provisions of ORS 433.835 to 433.875.

20 DELIVERY AND RECEIPT OF MARIJUANA ITEMS

21
22 **SECTION 6.** ORS 475B.160, as amended by section 23, chapter 23, Oregon Laws 2016, section
23 65, chapter 24, Oregon Laws 2016, and section 12, chapter 83, Oregon Laws 2016, is amended to
24 read:

25 475B.160. (1)(a) Except as provided in section 22, chapter 23, Oregon Laws 2016, and section 2,
26 chapter 83, Oregon Laws 2016, a marijuana producer **that holds a license issued under ORS**
27 **475B.070, a marijuana processor that holds a license issued under ORS 475B.090 or a marijuana**
28 **wholesaler that holds a license issued under ORS 475B.100** may deliver marijuana items only to
29 or on a premises **for which a license has been issued under ORS 475B.070, 475B.090, 475B.100**
30 **or 475B.110.**

31 **(b) A marijuana retailer that holds a license issued under ORS 475B.110 may deliver**
32 **marijuana items only to or on a premises for which a license has been issued under section**
33 **2 of this 2017 Act.**

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

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

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

41 [(b)] **(B) A researcher of cannabis certified under ORS 475B.235 [who] that** transfers limited
42 amounts of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and
43 cannabinoid extracts in accordance with procedures adopted under ORS 475B.235 (3)(d) and (e); or

44 [(c)] **(C) A marijuana grow site registered under ORS 475B.420, marijuana processing site regis-**
45 **tered under ORS 475B.435, or a medical marijuana dispensary registered under ORS 475B.450, acting**

1 in accordance with procedures adopted by the **Oregon Liquor Control** Commission under section
2 25, chapter 24, Oregon Laws 2016.

3 **(b) A licensee to whom marijuana items may be delivered under subsection (1)(b) of this**
4 **section may receive marijuana items only from a marijuana retailer that holds a license is-**
5 **ssued under ORS 475B.110.**

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

10 CONFORMING AMENDMENTS

11 **SECTION 7.** ORS 475B.015, as amended by section 63, chapter 24, Oregon Laws 2016, and sec-
12 tion 11, chapter 83, Oregon Laws 2016, is amended to read:

13 475B.015. As used in ORS 475B.010 to 475B.395:

14 (1) “Cannabinoid” means any of the chemical compounds that are the active constituents of
15 marijuana.

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

18 (a) A mechanical extraction process;

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

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

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

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

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

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

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

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

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

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

38 (A) Usable marijuana by itself;

39 (B) A cannabinoid concentrate by itself;

40 (C) A cannabinoid extract by itself; or

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

42 (6) “Consumer” means a person who purchases, acquires, owns, holds or uses marijuana items
43 other than for the purpose of resale.
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1 (7)(a) “Financial consideration” means value that is given or received either directly or indi-
2 rectly through sales, barter, trade, fees, charges, dues, contributions or donations.

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

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

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

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

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

14 (12) “Licensee” means a person [*who*] **that** holds a license issued under ORS 475B.070, 475B.090,
15 475B.100 or 475B.110 **or section 2 or 3 of this 2017 Act.**

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

18 [(14)(a)] **(13)(a)** “Marijuana” means the plant Cannabis family Cannabaceae, any part of the
19 plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

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

21 [(15)] **(14)** “Marijuana flowers” means the flowers of the plant genus Cannabis within the plant
22 family Cannabaceae.

23 [(16)] **(15)** “Marijuana items” means marijuana, cannabinoid products, cannabinoid concentrates
24 and cannabinoid extracts.

25 [(17)] **(16)** “Marijuana leaves” means the leaves of the plant genus Cannabis within the plant
26 family Cannabaceae.

27 [(18)] **(17)** “Marijuana processor” means a person who processes marijuana items in this state.

28 [(19)] **(18)** “Marijuana producer” means a person who produces marijuana in this state.

29 [(20)] **(19)** “Marijuana retailer” means a person who sells marijuana items to a consumer in this
30 state.

31 [(21)] **(20)** “Marijuana wholesaler” means a person who purchases marijuana items in this state
32 for resale to a person other than a consumer.

33 [(22)] **(21)** “Mature marijuana plant” means a marijuana plant that is not an immature marijuana
34 plant.

35 [(23)] **(22)** “Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid
36 extract” means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a
37 concentration of tetrahydrocannabinol that is permitted under ORS 475B.625 in a single serving of
38 the cannabinoid product, cannabinoid concentrate or cannabinoid extract for consumers who hold
39 a valid registry identification card issued under ORS 475B.415.

40 [(24)] **(23)** “Medical purpose” means a purpose related to using usable marijuana, cannabinoid
41 products, cannabinoid concentrates or cannabinoid extracts to mitigate the symptoms or effects of
42 a debilitating medical condition, as defined in ORS 475B.410.

43 [(25)] **(24)** “Noncommercial” means not dependent or conditioned upon the provision or receipt
44 of financial consideration.

45 [(26)(a)] **(25)(a)** “Premises” [*or “licensed premises”*] includes the following areas of a location li-

1 censed under ORS [475B.070, 475B.090, 475B.100 or 475B.110] **475B.010 to 475B.395:**

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

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

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

8 (b) "Premises" [or "*licensed premises*"] does not include a primary residence.

9 [(27)(a)] **(26)(a)** "Processes" means the processing, compounding or conversion of marijuana into
10 cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

11 (b) "Processes" does not include packaging or labeling.

12 [(28)(a)] **(27)(a)** "Produces" means the manufacture, planting, cultivation, growing or harvesting
13 of marijuana.

14 (b) "Produces" does not include:

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

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

20 [(29)] **(28)** "Propagate" means to grow immature marijuana plants or to breed or produce the
21 seeds of the plant Cannabis family Cannabaceae.

22 [(30)] **(29)** "Public place" means a place to which the general public has access and includes,
23 but is not limited to, hallways, lobbies and other parts of apartment houses and hotels not consti-
24 tuting rooms or apartments designed for actual residence, and highways, streets, schools, places of
25 amusement, parks, playgrounds and areas used in connection with public passenger transportation.

26 [(31)(a)] **(30)(a)** "Usable marijuana" means the dried leaves and flowers of marijuana.

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

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

29 (B) Waste material that is a by-product of producing or processing marijuana.

30 **SECTION 8. Section 9 of this 2017 Act is added to and made a part of ORS 475B.010 to**
31 **475B.395.**

32 **SECTION 9. (1) Unless the context requires otherwise or as specifically excepted by the**
33 **Oregon Liquor Control Commission by rule, for purposes of ORS 475B.010 to 475B.395, rules**
34 **adopted under ORS 475B.010 to 475B.395 and any other statutory law of this state that spe-**
35 **cifically references licensees, "licensee" includes an owner, director, officer, manager, em-**
36 **ployee, agent or other representative of a person that holds a license issued under ORS**
37 **475B.010 to 475B.395, to the extent that the person acts in a representative capacity.**

38 **(2) This section does not make an owner, director, officer, manager, employee, agent or**
39 **other representative of a person that holds a license issued under ORS 475B.010 to 475B.395,**
40 **to the extent that the person acts in a representative capacity, a licensee for purposes of**
41 **ORS chapter 183.**

42 **SECTION 10. ORS 475B.025 is amended to read:**

43 475B.025. (1) The Oregon Liquor Control Commission has the [*powers and*] duties, **functions and**
44 **powers** specified in ORS 475B.010 to 475B.395 and the powers necessary or proper to enable the
45 commission to carry out the commission's duties, functions and powers under ORS 475B.010 to

1 475B.395. The jurisdiction, supervision, duties, functions and powers of the commission extend to any
 2 person who [*buys, sells,*] produces, processes, transports [*or delivers any marijuana items within*],
 3 **delivers, sells or purchases a marijuana item in** this state. The commission may sue and be sued.

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

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

8 (b) To [*grant, refuse, suspend or cancel*] **issue, refuse to issue, suspend or revoke** licenses for
 9 the [*sale, processing or*] production, **processing or sale** of marijuana items, or other licenses [*in*
 10 *regard to*] **related to the consumption of** marijuana items, and to permit, in the commission's dis-
 11 cretion, the transfer of a license between persons.

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

15 (d) To adopt, amend or repeal rules as necessary to carry out the intent and provisions of ORS
 16 475B.010 to 475B.395, including rules that the commission considers necessary to protect the public
 17 health and safety.

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

22 (A) Issuing subpoenas;

23 (B) Compelling the attendance of witnesses;

24 (C) Administering oaths;

25 (D) Certifying official acts;

26 (E) Taking depositions as provided by law;

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

29 (G) Establishing fees in addition to the application, licensing and renewal fees described in ORS
 30 475B.070, 475B.090, 475B.100 and 475B.110 **and sections 2 and 3 of this 2017 Act**, provided that any
 31 fee established by the commission is reasonably calculated not to exceed the cost of the activity for
 32 which the fee is charged.

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

35 (A) That is appealing to minors;

36 (B) That promotes excessive use;

37 (C) That promotes illegal activity; or

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

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

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

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

44 475B.033. The Oregon Liquor Control Commission may, by **rule or** order, provide for the manner
 45 and conditions under which:

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

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

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

8 **SECTION 12.** ORS 475B.040 is amended to read:

9 475B.040. (1) An applicant for a license or renewal of a license under ORS 475B.010 to 475B.395
10 shall apply to the Oregon Liquor Control Commission in the form required by the commission **by**
11 **rule**, showing the name and address of the applicant, location of the place of business that is to be
12 operated under the license and other pertinent information required by the commission. The com-
13 mission may not grant or renew a license until the applicant has complied with the provisions of
14 ORS 475B.010 to 475B.395 and [*the rules of the commission*] **rules adopted under ORS 475B.010 to**
15 **475B.395.**

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

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

23 **SECTION 13.** ORS 475B.055 is amended to read:

24 475B.055. A license granted under ORS 475B.010 to 475B.395:

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

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

27 [(3)] (2) Is renewable in the manner provided in ORS 475B.040, except for a cause that would
28 be grounds for refusal to issue the license under ORS 475B.045.

29 [(4)] (3) Is revocable or suspendible as provided in ORS 475B.210.

30 [(5)] (4) Is transferable from the premises for which the license was originally issued to another
31 premises subject to the provisions of ORS 475B.010 to 475B.395, applicable rules [*of the Oregon Li-*
32 *quor Control Commission*] **adopted under ORS 475B.010 to 475B.395** and applicable local ordi-
33 nances.

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

35 [(7)] (5) Does not constitute property.

36 [(8)] (6) Is not alienable.

37 [(9)] (7) Is not subject to attachment or execution.

38 [(10)] (8) Does not descend by the laws of testate or intestate devolution.

39 **SECTION 14.** ORS 475B.060 is amended to read:

40 475B.060. (1) The Oregon Liquor Control Commission shall approve or deny an application to
41 [*produce, process and sell marijuana under ORS 475B.070, 475B.090, 475B.100 and 475B.110*] **be li-**
42 **censed under ORS 475B.010 to 475B.395.** Upon receiving an application **under ORS 475B.040**, the
43 commission may not unreasonably delay processing, approving or denying the application or, if the
44 application is approved, issuing the license.

45 (2) The licenses described in ORS [475B.070, 475B.090, 475B.100 and 475B.110] **475B.010 to**

1 **475B.395** must be issued by the commission, subject to the provisions of ORS 475B.010 to 475B.395
 2 and *[the]* rules adopted under ORS 475B.010 to 475B.395.

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

7 **SECTION 15.** ORS 475B.065 is amended to read:

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

14 **SECTION 16.** ORS 475B.068 is amended to read:

15 475B.068. *[The same person may hold one or more production licenses, one or more processor li-*
 16 *censes, one or more wholesale licenses and one or more retail licenses.]* **Except as provided in sec-**
 17 **tion 3 (3)(d) of this 2017 Act, a person may hold:**

18 (1) **Multiple licenses to conduct at different premises the same activity for which a li-**
 19 **cence is required under ORS 475B.010 to 475B.395; and**

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

22 **SECTION 17.** ORS 475B.075, as amended by section 10, chapter 24, Oregon Laws 2016, is
 23 amended to read:

24 475B.075. (1) Subject to subsection (2) of this section, the Oregon Liquor Control Commission
 25 shall adopt rules restricting the size of mature marijuana plant grow canopies at premises for which
 26 a license has been issued under ORS 475B.070. In adopting rules under this subsection, the com-
 27 mission shall:

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

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

38 (c) Take into consideration the market demand for marijuana items in this state, the number of
 39 *[persons]* **marijuana producers** applying for a license under ORS 475B.070 and *[to whom a license*
 40 *has been issued]* **the number of marijuana producers that hold a license issued** under ORS
 41 475B.070, and whether the availability of marijuana items in this state is commensurate with the
 42 market demand.

43 (2) This section:

44 (a) Applies only to that portion of a premises for which a license has been issued under ORS
 45 475B.070 that is used to produce mature marijuana plants; and

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

3 **SECTION 18.** ORS 475B.125 is amended to read:

4 475B.125. The Oregon Liquor Control Commission may adopt rules establishing the circum-
5 stances under which the commission may require a marijuana retailer that holds a license issued
6 under ORS 475B.110 to use an age verification scanner or any other equipment used to verify a
7 person's age for the purpose of ensuring that the marijuana retailer does not sell marijuana items
8 to a person under 21 years of age. [*The marijuana retailer may not retain any*] Information obtained
9 under this section **may not be retained** after verifying a person's age. [*The marijuana retailer may*
10 *not use any*] Information obtained under this section **may not be used** for any purpose other than
11 verifying a person's age.

12 **SECTION 19.** ORS 475B.130 is amended to read:

13 475B.130. (1) The Oregon Liquor Control Commission [*has the right after 72 hours' notice to the*
14 *owner or the agent of the owner to*] **may after 72 hours' notice** make an examination of the books
15 [*and*] **of a licensee for the purpose of determining compliance with ORS 475B.010 to 475B.395**
16 **and rules adopted under ORS 475B.010 to 475B.395.**

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

21 [(2)] **(3)** The commission may not require the books of a licensee to be maintained on [*the*] **a**
22 premises of the licensee.

23 [(3)] **(4)** This section does not authorize the commission to make an examination of the premises
24 of a person registered under ORS 475B.400 to 475B.525.

25 **SECTION 20.** ORS 475B.135 is amended to read:

26 475B.135. As is necessary to protect the public health and safety, the Oregon Liquor Control
27 Commission may require a premises licensed under ORS [*475B.070, 475B.090, 475B.100 or 475B.110*]
28 **475B.010 to 475B.395** to be segregated into separate areas:

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

32 (2) For conducting activities related to processing marijuana into different types of cannabinoid
33 products, cannabinoid concentrates or cannabinoid extracts, if the licensee is a marijuana processor
34 **that holds a license issued under ORS 475B.090** that processes marijuana into any combination
35 of different types of products, concentrates and extracts.

36 **SECTION 21.** ORS 475B.140 is amended to read:

37 475B.140. As is necessary to protect the public health and safety, the Oregon Liquor Control
38 Commission may require a [*person that holds a license under ORS 475B.070, 475B.090, 475B.100 or*
39 *475B.110*] **licensee** to maintain general liability insurance in an amount that the commission deter-
40 mines is reasonably affordable and available for the purpose of protecting the [*person*] **licensee**
41 against damages resulting from a cause of action related to activities undertaken pursuant to the
42 license **held by the licensee.**

43 **SECTION 22.** ORS 475B.150, as amended by section 64, chapter 24, Oregon Laws 2016, is
44 amended to read:

45 475B.150. (1) The Oregon Liquor Control Commission shall develop and maintain a system for

1 tracking the transfer of marijuana items between premises **for which licenses have been issued**
 2 **under ORS 475B.010 to 475B.395.**

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

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

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

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

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

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

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

15 (a) The propagation of immature marijuana plants and the production of marijuana by a
 16 marijuana producer;

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

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

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

20 (e) The purchase and sale of marijuana items between licensees, as permitted by ORS 475B.010
 21 to 475B.395;

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

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

26 **SECTION 23.** ORS 475B.165 is amended to read:

27 475B.165. A licensee *[or licensee representative]* may not sell or deliver a marijuana item to a
 28 person under 21 years of age.

29 **SECTION 24.** ORS 475B.170 is amended to read:

30 475B.170. (1) Subject to subsection (2) of this section, a licensee *[or licensee representative]*, be-
 31 fore selling or providing a marijuana item to another person, must require the person to produce
 32 one of the following pieces of identification:

33 (a) The person's passport.

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

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

37 (d) A United States military identification card.

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

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

42 **SECTION 25.** ORS 475B.180 is amended to read:

43 475B.180. (1) A licensee may not employ *[any]* a person under 21 years of age *[in any part of any*
 44 *licensed premises]* **at a premises for which a license has been issued under ORS 475B.010 to**
 45 **475B.395.**

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

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

14 **SECTION 26.** ORS 475B.185, as amended by section 39, chapter 24, Oregon Laws 2016, is
 15 amended to read:

16 475B.185. (1) A person may not import marijuana items into this state or export marijuana items
 17 from this state.

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

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

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

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

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

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

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

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

31 **SECTION 27.** ORS 475B.200 is amended to read:

32 475B.200. (1) Except for a *[licensed marijuana producer and the producer's licensee*
 33 *representative]* **marijuana producer that holds a license issued under ORS 475B.070**, a licensee
 34 may not possess a mature marijuana plant.

35 (2) A licensee may not sell a mature marijuana plant.

36 **SECTION 28.** ORS 475B.205 is amended to read:

37 475B.205. (1) A person may not make false representations or statements to the Oregon Liquor
 38 Control Commission in order to induce or prevent action by the commission.

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

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

43 **SECTION 29.** ORS 475B.210 is amended to read:

44 475B.210. The Oregon Liquor Control Commission may revoke or suspend a license issued under
 45 ORS 475B.010 to 475B.395 if the commission finds or has reasonable ground to believe any of the

1 following to be true:

2 (1) That the licensee:

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

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

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

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

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

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

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

17 **SECTION 30.** ORS 475B.215, as amended by section 16, chapter 23, Oregon Laws 2016, is
18 amended to read:

19 475B.215. (1) An individual who performs work for or on behalf of a person *[who]* **that** holds a
20 license **issued** under ORS *[475B.070, 475B.090, 475B.100 or 475B.110]* **475B.010 to 475B.395** must
21 have a valid permit issued by the Oregon Liquor Control Commission under ORS 475B.218 if the
22 individual participates in:

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

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

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

28 (2) A person *[who]* **that** holds a license **issued** under ORS *[475B.070, 475B.090, 475B.100 or*
29 *475B.110]* **475B.010 to 475B.395** must verify that an individual has a valid permit issued under ORS
30 475B.218 before allowing the individual to perform any work described in subsection (1) of this sec-
31 tion at the premises for which the license has been issued.

32 **SECTION 31.** ORS 475B.218, as amended by section 13, chapter 24, Oregon Laws 2016, is
33 amended to read:

34 475B.218. (1) The Oregon Liquor Control Commission shall issue permits to qualified applicants
35 to perform work described in ORS 475B.215. The commission shall adopt rules establishing:

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

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

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

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

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

43 (A) Checking identification;

44 (B) Detecting intoxication;

45 (C) Handling marijuana items;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 **SECTION 32.** ORS 475B.230 is amended to read:

30 475B.230. (1) An employee of a [person licensed under ORS 475B.070, 475B.090, 475B.100 or
31 475B.110] **licensee** has the right to form, join and participate in the activities of a labor organization
32 of the employee's own choosing for the purpose of securing representation and collective bargaining
33 for matters concerning employment relations with the [person licensed under ORS 475B.070,
34 475B.090, 475B.100 or 475B.110] **licensee**.

35 (2) For purposes of this section, the provisions of ORS chapters 661 to 663 apply to relations
36 between employees of [persons licensed under ORS 475B.070, 475B.090, 475B.100 and 475B.110]
37 **licensees** and employers that [are licensed] **hold licenses issued** under ORS [475B.070, 475B.090,
38 475B.100 or 475B.110] **475B.010 to 475B.395** in the same manner that those provisions apply to other
39 employment relations.

40 **SECTION 33.** ORS 475B.233 is amended to read:

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

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

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

4 **SECTION 34.** ORS 475B.235, as amended by section 24, chapter 23, Oregon Laws 2016, and
5 section 12, chapter 24, Oregon Laws 2016, is amended to read:

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

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

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

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

14 (a) Qualifications for certification under this section;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 **SECTION 35.** ORS 475B.255, as amended by section 38, chapter 24, Oregon Laws 2016, is
17 amended to read:

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

20 **SECTION 36.** ORS 475B.260 is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 **SECTION 37.** ORS 475B.265 is amended to read:

25 475B.265. (1) A person may not produce any piece of identification that would falsely indicate
26 the person's age.

27 (2) If a piece of identification is offered as evidence in any administrative or criminal prose-
28 cution of a licensee [*or licensee representative*] for sale or service of a marijuana item to a person
29 under 21 years of age, the licensee [*or licensee representative*] is not guilty of any offense prohibiting
30 a person from selling or serving a marijuana item to a person under 21 years of age unless it is
31 demonstrated that a reasonable person would have determined that the identification exhibited by
32 the person under 21 years of age was altered or did not accurately describe the person under 21
33 years of age to whom the marijuana item was sold or served.

34 **SECTION 38.** ORS 475B.310 is amended to read:

35 475B.310. The county courts, district attorneys and municipal authorities, immediately upon the
36 conviction of [*any*] **a licensee** [*of the Oregon Liquor Control Commission*] of a violation of [*any*] **a**
37 provision of ORS 475B.010 to 475B.395, or [*the*] **of a violation** of any other law of this state or **an**
38 ordinance of [*any municipality*] **a city or county located** in this state[, *in which violation marijuana*
39 *had any part,*] **an element of which is the possession, delivery or manufacture of a marijuana**
40 **item**, shall notify the **Oregon Liquor Control Commission** of the conviction. [*The county courts,*
41 *district attorneys and municipal authorities shall notify the commission of any acts, practices or other*
42 *conduct of a licensee convicted as described in this section that may be subversive of the general wel-*
43 *fare or contrary to the spirit of ORS 475B.010 to 475B.395 and shall recommend such action on the*
44 *part of the commission as will remove the evil.*]

45 **SECTION 39.** ORS 475B.325 is amended to read:

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

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

7 (a) In the case of a city, must be as provided for an initiative petition under ORS 250.265 to
 8 250.346.

9 (b) In the case of a county, must be as provided for an initiative petition under ORS 250.165 to
 10 250.235.

11 (3) A petition under this section:

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

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

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

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

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

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

22 **SECTION 40.** ORS 475B.340, as amended by section 4, chapter 23, Oregon Laws 2016, and sec-
 23 tion 66, chapter 24, Oregon Laws 2016, is amended to read:

24 475B.340. (1) For purposes of this section, “reasonable regulations” includes:

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

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

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

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

36 (e) **Reasonable conditions on the manner in which a person that holds a license issued**
 37 **under section 2 or 3 of this 2017 Act may operate;**

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

41 [(f)] (g) Reasonable requirements related to the public’s access to a premises for which a license
 42 or certificate has been issued under ORS [475B.070, 475B.090, 475B.100, 475B.110 or 475B.235]
 43 **475B.010 to 475B.395**; and

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

1 be located.

2 (2) Notwithstanding ORS 30.935, 215.253 (1) or 633.738, the governing body of a city or county
3 may adopt ordinances that impose reasonable regulations on the operation of businesses located at
4 premises for which a license **or certificate** has been issued under ORS [475B.070, 475B.090,
5 475B.100 or 475B.110, or for which a certificate has been issued under ORS 475B.235,] **475B.010 to**
6 **475B.395** if the premises are located in the area subject to the jurisdiction of the city or county,
7 except that the governing body of a city or county may not:

8 (a) Adopt an ordinance that prohibits a premises for which a license has been issued under ORS
9 475B.110 from being located within a distance that is greater than 1,000 feet of another premises for
10 which a license has been issued under ORS 475B.110.

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

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

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

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

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

21 **SECTION 41.** ORS 475B.345, as amended by section 3, chapter 91, Oregon Laws 2016, is
22 amended to read:

23 475B.345. (1) As used in this section, “designated primary caregiver” and “registry identification
24 cardholder” have the meanings given those terms in ORS 475B.410.

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

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

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

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

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

40 (a) In excess of three percent; or

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

43 **SECTION 42.** ORS 475B.355 is amended to read:

44 475B.355. (1) The Oregon Liquor Control Commission, the State Department of Agriculture and
45 the Oregon Health Authority may not refuse to perform any duty under ORS 475B.010 to 475B.395

1 on the basis that manufacturing, distributing, dispensing, possessing or using marijuana is prohibited
2 by federal law.

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

6 **SECTION 43.** ORS 475B.365 is amended to read:

7 475B.365. In case of invasion, disaster, insurrection or riot, or imminent danger of invasion,
8 disaster, insurrection or riot, the Governor may, for the duration of the invasion, disaster,
9 insurrection or riot, or imminent danger, immediately **and without notice** suspend [*without notice*
10 *any license*] in the area involved [*granted*] **any license, certificate or permit issued** under ORS
11 475B.010 to 475B.395.

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

14 475B.370. (1) Marijuana is:

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

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

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

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

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

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

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

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

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

29 (4) This section applies to:

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

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

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

35 **SECTION 45.** ORS 475B.399 is amended to read:

36 475B.399. (1) As used in this section, “marijuana” and “marijuana item” have the meanings given
37 those terms in ORS 475B.015.

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

45 **SECTION 46.** ORS 475B.575 is amended to read:

1 475B.575. Subject to the applicable provisions of ORS chapter 183, if an applicant or licensee
2 violates a provision of ORS 475B.550 to 475B.590 or a rule adopted under a provision of ORS
3 475B.550 to 475B.590, the Oregon Liquor Control Commission may refuse to issue or renew, or may
4 suspend or revoke, a license issued under ORS [475B.070, 475B.090, 475B.100 or 475B.110] **475B.010**
5 **to 475B.395.**

6 **SECTION 47.** ORS 475B.605 is amended to read:

7 475B.605. (1) As is necessary to protect the public health and safety, and in consultation with
8 the Oregon Liquor Control Commission and the State Department of Agriculture, the Oregon Health
9 Authority shall adopt rules establishing standards for the labeling of marijuana items, including but
10 not limited to:

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

13 (A) Health and safety warnings;

14 (B) Activation time;

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

16 (D) Potency;

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

20 (F) Content of the marijuana item; and

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

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

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

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

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

35 (b) May establish different minimum labeling standards for persons registered under ORS
36 475B.400 to 475B.525 and persons licensed under ORS 475B.010 to 475B.395;

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

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

41 **SECTION 48.** ORS 475B.615 is amended to read:

42 475B.615. (1) As is necessary to protect the public health and safety, and in consultation with
43 the Oregon Health Authority and the State Department of Agriculture, the Oregon Liquor Control
44 Commission shall adopt rules establishing standards for the packaging of marijuana items, including
45 but not limited to:

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

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

4 (B) Not marketed in a manner that:

5 (i) Is untruthful or misleading;

6 (ii) Is attractive to minors; or

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

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

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

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

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

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

21 (b) May establish different minimum packaging standards for persons registered under ORS
22 475B.400 to 475B.525 and persons licensed under ORS 475B.010 to 475B.395;

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

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

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

28 **SECTION 49.** ORS 475B.625, as amended by section 15, chapter 83, Oregon Laws 2016, is
29 amended to read:

30 475B.625. (1) The Oregon Health Authority shall adopt rules establishing:

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

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

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

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

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

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

45 (3) In adopting rules under ORS 475B.400 to 475B.525, the authority shall require all usable

1 marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a med-
 2 ical marijuana dispensary registered under ORS 475B.450 to meet the concentration standards and
 3 packaging standards adopted by rule pursuant to this section.

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

8 **SECTION 50.** ORS 475B.635 is amended to read:

9 475B.635. To ensure compliance with ORS 475B.600 to 475B.655 and any rule adopted under ORS
 10 475B.600 to 475B.655, the Oregon Liquor Control Commission may inspect the premises of a person
 11 that holds a license **issued** under ORS 475B.070, 475B.090, 475B.100 or 475B.110 **or section 2 of this**
 12 **2017 Act.**

13 **SECTION 51.** ORS 475B.645 is amended to read:

14 475B.645. Subject to the applicable provisions of ORS chapter 183, if the applicant or licensee
 15 violates [*a provision of*] ORS 475B.600 to 475B.655 or a rule adopted under a provision of ORS
 16 475B.600 to 475B.655, the Oregon Liquor Control Commission may refuse to issue or renew, or may
 17 suspend or revoke, a license issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110 **or section**
 18 **2 of this 2017 Act.**

19 **SECTION 52.** ORS 475B.800, as amended by section 31, chapter 24, Oregon Laws 2016, is
 20 amended to read:

21 475B.800. (1) The governing body of a city or county may adopt ordinances to be referred to the
 22 electors of the city or county as described in subsection (2) of this section that prohibit or allow the
 23 establishment of any one or more of the following in the area subject to the jurisdiction of the city
 24 or in the unincorporated area subject to the jurisdiction of the county:

- 25 (a) Marijuana processing sites registered under ORS 475B.435;
- 26 (b) Medical marijuana dispensaries registered under ORS 475B.450;
- 27 (c) Marijuana producers [*licensed*] **that hold a license issued** under ORS 475B.070;
- 28 (d) Marijuana processors [*licensed*] **that hold a license issued** under ORS 475B.090;
- 29 (e) Marijuana wholesalers [*licensed*] **that hold a license issued** under ORS 475B.100;
- 30 (f) Marijuana retailers [*licensed*] **that hold a license issued** under ORS 475B.110; [*or*]
- 31 **(g) Persons that hold a license issued under section 2 of this 2017 Act;**
- 32 **(h) Persons that hold a license issued under section 3 of this 2017 Act; or**
- 33 [*g*] **(i) Any combination of the entities described in this subsection.**

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

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

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

42 (b) To the Oregon Liquor Control Commission, if the ordinance concerns a premises for which
 43 a license has been issued under ORS [*475B.070, 475B.090, 475B.100 or 475B.110*] **475B.010 to**
 44 **475B.395.**

45 (4)(a) Upon receiving notice of a prohibition under subsection (3) of this section, the authority

1 shall discontinue registering those entities to which the prohibition applies until the date of the next
2 statewide general election.

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

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

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

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

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

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

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

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

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

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

29 **SECTION 53.** ORS 475.752, as amended by section 59, chapter 24, Oregon Laws 2016, is
30 amended to read:

31 475.752. (1) Except for licensees [*and licensee representatives, as those terms are*], **as** defined in
32 ORS 475B.015, that are engaged in lawful activities, and except for a person acting within the scope
33 of and in compliance with ORS 475B.245, and except as authorized by ORS 475.005 to 475.285 and
34 475.752 to 475.980, it is unlawful for any person to manufacture or deliver a controlled substance.
35 Any person who violates this subsection with respect to:

36 (a) A controlled substance in Schedule I, is guilty of a Class A felony, except as otherwise pro-
37 vided in ORS 475.886 and 475.890.

38 (b) A controlled substance in Schedule II, is guilty of a Class B felony, except as otherwise
39 provided in ORS 475.858, 475.860, 475.862, 475.878, 475.880, 475.882, 475.904 and 475.906.

40 (c) A controlled substance in Schedule III, is guilty of a Class C felony, except as otherwise
41 provided in ORS 475.904 and 475.906.

42 (d) A controlled substance in Schedule IV, is guilty of a Class B misdemeanor.

43 (e) A controlled substance in Schedule V, is guilty of a Class C misdemeanor.

44 (2) Except as authorized in ORS 475.005 to 475.285 and 475.752 to 475.980, it is unlawful for any
45 person to create or deliver a counterfeit substance. Any person who violates this subsection with

1 respect to:

- 2 (a) A counterfeit substance in Schedule I, is guilty of a Class A felony.
- 3 (b) A counterfeit substance in Schedule II, is guilty of a Class B felony.
- 4 (c) A counterfeit substance in Schedule III, is guilty of a Class C felony.
- 5 (d) A counterfeit substance in Schedule IV, is guilty of a Class B misdemeanor.
- 6 (e) A counterfeit substance in Schedule V, is guilty of a Class C misdemeanor.

7 (3) It is unlawful for any person knowingly or intentionally to possess a controlled substance,
8 other than marijuana, unless the substance was obtained directly from, or pursuant to a valid pre-
9 scription or order of, a practitioner while acting in the course of professional practice, or except
10 as otherwise authorized by ORS 475.005 to 475.285 and 475.752 to 475.980. Any person who violates
11 this subsection with respect to:

12 (a) A controlled substance in Schedule I, is guilty of a Class B felony, except as otherwise pro-
13 vided in ORS 475.894.

14 (b) A controlled substance in Schedule II, is guilty of a Class C felony, except as otherwise
15 provided in ORS 475.864 or section 47, chapter 24, Oregon Laws 2016.

16 (c) A controlled substance in Schedule III, is guilty of a Class A misdemeanor.

17 (d) A controlled substance in Schedule IV, is guilty of a Class C misdemeanor.

18 (e) A controlled substance in Schedule V, is guilty of a violation.

19 (4) In any prosecution under this section for manufacture, possession or delivery of that plant
20 of the genus *Lophophora* commonly known as peyote, it is an affirmative defense that the peyote is
21 being used or is intended for use:

22 (a) In connection with the good faith practice of a religious belief;

23 (b) As directly associated with a religious practice; and

24 (c) In a manner that is not dangerous to the health of the user or others who are in the prox-
25 imity of the user.

26 (5) The affirmative defense created in subsection (4) of this section is not available to any person
27 who has possessed or delivered the peyote while incarcerated in a correctional facility in this state.

28 (6)(a) Notwithstanding subsection (1) of this section, a person who unlawfully manufactures or
29 delivers a controlled substance in Schedule IV and who thereby causes death to another person is
30 guilty of a Class C felony.

31 (b) For purposes of this subsection, causation is established when the controlled substance plays
32 a substantial role in the death of the other person.

33 **SECTION 54.** ORS 475.856, as amended by section 42, chapter 24, Oregon Laws 2016, is
34 amended to read:

35 475.856. (1) Except for licensees [*and licensee representatives*] that are engaged in lawful activ-
36 ities, and except for a person acting within the scope of and in compliance with ORS 475B.245, it
37 is unlawful for any person to manufacture marijuana.

38 (2) Unlawful manufacture of marijuana is a Class C felony.

39 (3) Notwithstanding subsection (2) of this section, unlawful manufacture of marijuana is a:

40 (a) Class B misdemeanor, if a person 21 years of age or older manufactures homegrown
41 marijuana at a household and the total number of homegrown marijuana plants at the household
42 exceeds four marijuana plants but does not exceed eight marijuana plants.

43 (b) Class B felony, if a person manufactures a cannabinoid extract.

44 **SECTION 55.** ORS 475.858, as amended by section 43, chapter 24, Oregon Laws 2016, is
45 amended to read:

1 475.858. (1) Except for licensees [*and licensee representatives*] that are engaged in lawful activ-
 2 ities, and except for a person acting within the scope of and in compliance with ORS 475B.245, it
 3 is unlawful for any person to manufacture marijuana within 1,000 feet of the real property com-
 4 prising a public or private elementary, secondary or career school attended primarily by minors.

5 (2) Unlawful manufacture of marijuana within 1,000 feet of a school is a Class C felony.

6 (3) Notwithstanding subsection (2) of this section, unlawful manufacture of marijuana within
 7 1,000 feet of a school is a:

8 (a) Class B felony, if a person manufactures homegrown marijuana at a household and the total
 9 number of homegrown marijuana plants at the household exceeds eight marijuana plants.

10 (b) Class A felony, if a person manufactures a cannabinoid extract.

11 **SECTION 56.** ORS 475.860, as amended by section 44, chapter 24, Oregon Laws 2016, is
 12 amended to read:

13 475.860. (1) Except for licensees [*and licensee representatives*] that are engaged in lawful activ-
 14 ities, and except for a person acting within the scope of and in compliance with ORS 475B.245, it
 15 is unlawful for any person to deliver marijuana.

16 (2) Unlawful delivery of marijuana is a Class A misdemeanor.

17 (3) Notwithstanding subsection (2) of this section, unlawful delivery of marijuana is a Class C
 18 felony, if:

19 (a) A person who is at least 21 years of age delivers the marijuana to a person who is under
 20 18 years of age.

21 (b) A person delivers marijuana extracts that were not purchased from a marijuana retailer that
 22 holds a license under ORS 475B.110.

23 (4) Notwithstanding subsection (3)(a) of this section, unlawful delivery of marijuana is a Class
 24 A misdemeanor if a person who is under 24 years of age delivers, for no consideration, less than one
 25 ounce of usable marijuana to a person who is at least 16 years of age.

26 **SECTION 57.** ORS 475.862, as amended by section 45, chapter 24, Oregon Laws 2016, is
 27 amended to read:

28 475.862. (1) Except for licensees [*and licensee representatives*] that are engaged in lawful activ-
 29 ities, and except for a person acting within the scope of and in compliance with ORS 475B.245, it
 30 is unlawful for any person to deliver marijuana within 1,000 feet of the real property comprising a
 31 public or private elementary, secondary or career school attended primarily by minors.

32 (2) Unlawful delivery of marijuana within 1,000 feet of a school is a Class C felony.

33 (3) Notwithstanding subsection (2) of this section, unlawful delivery of marijuana within 1,000
 34 feet of a school is a:

35 (a) Class B felony, if a person who is at least 21 years of age delivers the marijuana to a person
 36 who is under 18 years of age.

37 (b) Class B felony, if a person delivers marijuana extracts that were not purchased from a
 38 marijuana retailer that holds a license under ORS 475B.110.

39 (c) Class A misdemeanor, if a person who is under 18 years of age delivers the marijuana for
 40 no consideration to a person who is under 18 years of age.

41 **SECTION 58.** ORS 475.864, as amended by section 46, chapter 24, Oregon Laws 2016, is
 42 amended to read:

43 475.864. (1) Except for licensees [*and licensee representatives*] acting in accordance with ORS
 44 475B.010 to 475B.395, and any rule adopted under ORS 475B.010 to 475B.395, it is unlawful for any
 45 person 21 years of age or older knowingly or intentionally to possess:

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

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

4 (c) More than eight ounces of usable marijuana.

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

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

7 (f) More than one ounce of cannabinoid extracts.

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

10 (2) A violation of subsection (1)(a) to (f) of this section is a:

11 (a) Class A misdemeanor, if the amount possessed is more than four times the applicable maxi-
 12 mum amount specified in subsection (1)(a) to (f) of this section;

13 (b) Class B misdemeanor, if the amount possessed is more than two times, but not more than
 14 four times, the applicable maximum amount specified in subsection (1)(a) to (f) of this section; or

15 (c) Class B violation, if the amount possessed is not more than two times the applicable maxi-
 16 mum amount specified in subsection (1)(a) to (f) of this section.

17 (3) A violation of subsection (1)(g) of this section is a:

18 (a) Class C felony, if the amount possessed is more than one-quarter ounce of cannabinoid ex-
 19 tract; or

20 (b) Class B misdemeanor, if the amount possessed is not more than one-quarter ounce of
 21 cannabinoid extract.

22 **SECTION 59.** ORS 475.904 is amended to read:

23 475.904. (1) Except as authorized by ORS 475.005 to 475.285 and 475.752 to 475.980, it is unlawful
 24 for any person to manufacture or deliver a schedule I, II or III controlled substance within 1,000 feet
 25 of the real property comprising a public or private elementary, secondary or career school attended
 26 primarily by minors.

27 (2) Unlawful manufacture or delivery of a controlled substance within 1,000 feet of a school is
 28 a Class A felony.

29 (3) This section does not apply to:

30 (a) A licensee [*or licensee representative, as those terms are*], **as** defined in ORS 475B.015, that
 31 is engaged in lawful activities; or

32 (b) A person acting within the scope of and in compliance with ORS 475B.245.

33 **SECTION 60.** Section 22, chapter 23, Oregon Laws 2016, is amended to read:

34 **Sec. 22.** (1) In addition to the powers granted nonprofit corporations under ORS 65.077 and
 35 65.081, a medical marijuana dispensary that is owned by a nonprofit corporation organized under
 36 ORS chapter 65 may receive by gift, devise or bequest:

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

41 (b) Medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts from per-
 42 sons responsible for marijuana processing sites, [*persons who*] **marijuana processors that** hold a
 43 license **issued** under ORS 475B.090 and [*persons who*] **researchers of cannabis that** hold a certif-
 44 icate under ORS 475B.235.

45 (2) If a registry identification cardholder's annual income is at or below the federal poverty

1 guidelines, a medical marijuana dispensary that is owned by a nonprofit corporation organized under
 2 ORS chapter 65 shall dispense usable marijuana, immature marijuana plants, seeds, medical
 3 cannabinoid products, cannabinoid concentrates and cannabinoid extracts to that registry identifi-
 4 cation cardholder or the designated primary caregiver of that registry identification cardholder free
 5 of charge or at a discounted price.

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

7 **SECTION 61.** Section 22, chapter 24, Oregon Laws 2016, is amended to read:

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

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

12 (b) Is related to the security plan or the operational plan for a premises for which a license has
 13 been issued or for which an applicant has proposed [*to be licensed*] **licensure** under ORS [*475B.070,*
 14 *475B.090, 485B.100 or 475B.110*] **475B.010 to 475B.395**; or

15 (c) Is related to any record that the Oregon Liquor Control Commission determines contains
 16 proprietary information of a person who holds a license **issued** under ORS [*475B.070, 475B.090,*
 17 *485B.100 or 475B.110*] **475B.010 to 475B.395**.

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

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

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

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

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

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

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

38 (A) May be delivered to a premises for which a license has been issued under ORS 475B.090,
 39 475B.100 or 475B.110; or

40 (B) May be sold to consumers by marijuana retailers that hold a license **issued** under ORS
 41 475B.110.

42 (b) Procedures adopted under this subsection must require a person responsible for a marijuana
 43 grow site registered under ORS 475B.420, or, if multiple persons responsible for a marijuana grow
 44 site registered under ORS 475B.420 are located at the same address, each person responsible for a
 45 marijuana grow site located at the address, to return to an individual to whom a registry identifi-

1 cation card has been issued under ORS 475B.415, and for whom the person or persons are producing
 2 marijuana, all the marijuana and usable marijuana owned by the individual, except as otherwise al-
 3 lowed under a personal agreement entered into under ORS 475B.425, at the time that the person or
 4 the persons receive a license under ORS 475B.070.

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

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

- 9 (a) Marijuana processing sites registered under ORS 475B.435;
- 10 (b) Medical marijuana dispensaries registered under ORS 475B.450;
- 11 (c) Marijuana producers [*licensed*] **that hold a license issued** under ORS 475B.070;
- 12 (d) Marijuana processors [*licensed*] **that hold a license issued** under ORS 475B.090;
- 13 (e) Marijuana wholesalers [*licensed*] **that hold a license issued** under ORS 475B.100;
- 14 (f) Marijuana retailers [*licensed*] **that hold a license issued** under ORS 475B.110; [*or*]
- 15 **(g) Persons that hold a license issued under section 2 of this 2017 Act;**
- 16 **(h) Persons that hold a license issued under section 3 of this 2017 Act; or**
- 17 [*g*] **(i) Any combination of the entities described in this subsection.**

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

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

23 (b) To the Oregon Liquor Control Commission, in a form and manner prescribed by the com-
 24 mission, if the ordinance concerns a premises for which a license has been issued under ORS
 25 [*475B.070, 475B.090, 475B.100 or 475B.110*] **475B.010 to 475B.395.**

26 **SECTION 64.** Section 41, chapter 24, Oregon Laws 2016, is amended to read:

27 **Sec. 41.** As used in ORS 475.856, 475.858, 475.860, 475.862 and 475.864 and section 47 [*of this*
 28 *2016 Act*], **chapter 24, Oregon Laws 2016**, “cannabinoid concentrate,” “cannabinoid extract,”
 29 “cannabinoid product,” “homegrown,” “licensee,” [*“licensee representative,”*] “marijuana retailer,”
 30 “public place” and “usable marijuana” have the meanings given those terms in ORS 475B.015.

31 **SECTION 65.** Section 47, chapter 24, Oregon Laws 2016, is amended to read:

32 **Sec. 47.** (1) Except for licensees [*and licensee representatives*] acting in accordance with ORS
 33 475B.010 to 475B.395, and any rule adopted under ORS 475B.010 to 475B.395, it is unlawful for any
 34 person under 21 years of age to knowingly or intentionally possess:

- 35 (a) An amount of marijuana plants in excess of the amount of marijuana plants allowed under
 36 ORS 475B.245 (1).
- 37 (b) More than one ounce of usable marijuana in a public place.
- 38 (c) More than eight ounces of usable marijuana.
- 39 (d) More than 16 ounces of cannabinoid products in solid form or cannabinoid concentrates.
- 40 (e) More than 72 ounces of cannabinoid products in liquid form.
- 41 (f) More than one ounce of cannabinoid extracts.
- 42 (g) A cannabinoid extract that was not purchased from a marijuana retailer that holds a license
 43 **issued** under ORS 475B.110.

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

45 **SECTION 66.** Section 2, chapter 97, Oregon Laws 2016, is amended to read:

