# SENATE AMENDMENTS TO SENATE BILL 1561

By COMMITTEE ON JUDICIARY

### February 14

L	On page 1 of the printed bill, line 2, after "ORS" delete the rest of the line and delete lines 3
2	through 7 and insert "133.619, 161.067, 165.663, 475B.015, 475B.227, 475B.253, 475B.254, 475B.311,
3	$475B.337,\ 475B.354,\ 475B.550,\ 475B.600,\ 475B.791,\ 475B.797,\ 475B.913,\ 475B.916,\ 475B.952,\ 475B.961,$
1	$571.260,\ 571.263,\ 571.269,\ 571.272,\ 571.275,\ 571.278,\ 571.281,\ 571.285,\ 571.288,\ 571.294,\ 571.302,\ 571.327,$
5	571.330, 571.333, 571.336, 571.337, 571.339, 571.345 and 571.348; repealing ORS 571.341; and prescrib-
3	ing an effective date.".

Delete lines 9 through 24 and delete pages 2 through 35 and insert:

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### "OREGON HEMP STATE PROGRAM

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34 35 "SECTION 1. Sections 2, 3 and 5 of this 2020 Act are added to and made a part of ORS 571.260 to 571.348.

"SECTION 2. (1) The State Department of Agriculture shall conduct a criminal records check under ORS 181A.195 on an individual who submits an application for a grower license under ORS 571.281.

- "(2) For the purpose of requesting a state or nationwide criminal records check, the department may require fingerprints of any individual listed on an application submitted under ORS 571.260 to 571.348, including:
  - "(a) If the applicant is a limited partnership, each partner of the limited partnership;
- "(b) If the applicant is a limited liability company, each member of the limited liability company;
  - "(c) If the applicant is a corporation, each director and officer of the corporation;
- "(d) Any individual who is a partner, member, director or officer of an entity with a financial interest in the applicant; and
  - "(e) Other key participants with the applicant, as identified by the department by rule.
- "(3) ORS 181A.195 (10) does not apply to the department for purposes of conducting a criminal records check under this section.
  - "SECTION 3. (1) Except as provided in subsection (2) of this section:
- "(a) If a person has been convicted of a felony related to a controlled substance under state or federal law, the person is ineligible for a license under ORS 571.281 to grow hemp issued by the State Department of Agriculture for 10 years following the date of the person's conviction.
- "(b) If a licensee or an applicant, or a person related to the applicant as described in section 2 (2)(e) of this 2020 Act, is convicted of a felony related to a controlled substance under state or federal law, the department may deny, revoke or refuse to renew a grower

- license under ORS 571.281 during the 10 years following the date of conviction.
- "(2) This section does not apply to a person who was registered to grow hemp with the department before October 31, 2019.
- "SECTION 4. Section 3 of this 2020 Act applies to convictions before, on and after October 31, 2019.
  - "SECTION 5. The Legislative Assembly finds and declares that the development and administration of the Oregon Hemp State Program described in ORS 571.263 will move the State of Oregon and its residents to the forefront of the hemp industry.
    - "SECTION 6. ORS 571.260 is amended to read:

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- "571.260. ORS 571.260 to 571.348 shall be known and may be cited as the [Oregon Industrial Hemp Agricultural Pilot Program and Research Act] Oregon Hemp Act.
  - "SECTION 7. ORS 571.263 is amended to read:
  - "571.263. The State Department of Agriculture shall administer an Oregon [Industrial Hemp Agricultural Pilot Program for the purpose of studying the growth, cultivation and marketing of industrial] Hemp State Program for the production, processing and sale of hemp in this state. In carrying out the program, the department:
  - "(1) Shall administer ORS 571.260 to 571.348[;].
  - "(2)(a) Shall adopt rules to implement a state plan for the production of hemp in accordance with the Agriculture Improvement Act of 2018 (P.L. 115-334) and subsequent federal law. The rules adopted under this subsection must conform to, and not be more restrictive than, the rules related to hemp promulgated by the United States Department of Agriculture.
  - "(b) In adopting rules under this subsection, the State Department of Agriculture shall include public input.
  - "(c) The rules adopted under this subsection may include the adoption by reference of any federal laws, rules, regulations or guidelines, or standards, practices or requirements related to the production of hemp.
  - "[(2)] (3) Shall adopt by rule any record keeping and reporting requirements necessary to administer the program[;].
  - "[(3)] (4) May purchase, possess, seize or dispose of [industrial] hemp products or commodities as the [department] State Department of Agriculture deems necessary to enforce and ensure compliance with ORS 571.260 to 571.348 or department rules relating to ORS 571.260 to 571.348[; and].
  - "[(4)] (5) May exercise any other power or perform any other function necessary to administer the program.
    - "SECTION 8. ORS 571.269 is amended to read:
  - "571.269. As used in ORS 571.260 to 571.348:
    - "(1) 'Agricultural hemp seed' means Cannabis seed:
    - "(a) That is sold to or intended to be sold to [registered] licensed growers for planting; or
- 40 "(b) That remains in an unprocessed or partially processed condition that is capable of 41 germination.
  - "(2) 'Crop' means [industrial] hemp grown under a single [registration] license.
  - "(3) 'Grower' means a person, joint venture or cooperative that produces [industrial] hemp.
- "(4) 'Handler' means a person, joint venture or cooperative that receives [industrial] hemp for processing into commodities, products or agricultural hemp seed and any other activities identi-

### fied by the State Department of Agriculture by rule.

"[(5) 'Industrial hemp':]

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- "[(a) Except as provided in this paragraph, means all nonseed parts and varieties of the Cannabis
  plant, whether growing or not, that contain an average tetrahydrocannabinol concentration that does
  not exceed 0.3 percent on a dry weight basis. The State Department of Agriculture, by rule, may adopt
  any higher average tetrahydrocannabinol concentration limit established in federal law.]
  - "[(b) Means any Cannabis seed:]
- 8 "[(A) That is part of a crop;]
  - "[(B) That is retained by a grower for future planting;]
- "[(C) That is agricultural hemp seed;]
  - "[(D) That is for processing into or for use as agricultural hemp seed; or]
- "[(E) That has been processed in a manner or to an extent that the Cannabis seed is incapable of germination.]
  - "[(c) Does not mean industrial hemp commodities or products.]
  - "(5) 'Hemp' means the plant species Cannabis sativa that:
  - "(a) Has a tetrahydrocannabinol concentration that complies with the concentration specified by the department by rule; and
    - "(b) Has the meaning as defined by the department by rule.
  - "(6) '[Industrial] Hemp concentrate' means [an industrial] **a** hemp product obtained by separating cannabinoids from [industrial] hemp by:
    - "(a) A mechanical process;
  - "(b) A chemical extraction process using a nonhydrocarbon-based solvent, such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;
    - "(c) A chemical extraction process using carbon dioxide, provided that the process does not involve the use of high heat or pressure; or
      - "(d) Any other process identified by the department by rule.
- "(7) '[Industrial] Hemp extract' means [an industrial] **a** hemp product obtained by separating cannabinoids from [industrial] hemp by:
- 29 "(a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane 30 or propane;
  - "(b) A chemical extraction process using carbon dioxide, if the process uses high heat or pressure; or
    - "(c) Any other process identified by the department by rule.
    - "(8) 'Licensee' means a grower, handler, agricultural hemp seed producer or other person licensed under ORS 571.281.
      - "SECTION 9. ORS 571.272 is amended to read:
  - "571.272. (1) [Industrial] Hemp is an agricultural product that is subject to regulation by the State Department of Agriculture.
- "(2) For purposes of ORS chapter 616, the department may not consider [industrial] hemp or [industrial] hemp commodities or products to be an adulterant.
  - "SECTION 10. ORS 571.275 is amended to read:
- "571.275. (1) The Oregon Liquor Control Commission may purchase, possess, seize or dispose of [industrial] hemp products or commodities located on a premises licensed under ORS 475B.070, 475B.090, 475B.100, 475B.105 or 475B.560 or other area under the control of the premises licensee as the commission deems necessary to enforce and ensure compliance with:

- "(a) ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655 or rules adopted by the commission relating to ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655; or
- "(b) Any provision in ORS 571.260 to 571.348 or in rules adopted by the commission or State Department of Agriculture under ORS 571.260 to 571.348 that makes a requirement, restriction or other provision of ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655 applicable to [industrial] hemp.
- "(2) If the commission purchases, possesses, seizes or disposes of [industrial] hemp products or commodities under this section to enforce or ensure compliance with a provision of ORS 571.260 to 571.348 or rule adopted by the department under ORS 571.260 to 571.348 that makes a requirement, restriction or other provision of ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655 applicable to [industrial] hemp, the commission shall notify the department of the commission action as soon as practicable.

### "SECTION 11. ORS 571.278 is amended to read:

"571.278. There is established in the State Treasury, separate and distinct from the General Fund, the [*Industrial*] Hemp Fund. Interest earned by the fund shall be credited to the fund. The fund shall consist of all moneys credited to or deposited in the fund. Moneys in the fund are continuously appropriated to the State Department of Agriculture for the purposes of implementing, administering and enforcing ORS 571.260 to 571.348.

### "SECTION 12. ORS 571.281 is amended to read:

- "571.281. (1)(a) To grow or handle [industrial] hemp, a person must be [registered with] licensed by the State Department of Agriculture as a grower or handler.
- "(b) The department may identify by rule activities related to growing or handling hemp in addition to those described in ORS 571.269, and may require licensure to engage in those activities. The department may issue, renew, suspend, revoke or refuse to issue or renew a license required pursuant to this subsection.
- "(2)(a) Only a grower or handler [registered] licensed under this section may produce agricultural hemp seed. For a grower or handler to produce agricultural hemp seed, the grower or handler must be [registered with] licensed by the department as an agricultural hemp seed producer.
  - "(b) Notwithstanding paragraph (a) of this subsection:
- "(A) A grower [registered] **licensed** under this section that retains agricultural hemp seed for the purpose of personally propagating [industrial] hemp in a subsequent year is not required to [register with] **be licensed by** the department as an agricultural hemp seed producer; and
- "(B) A grower or handler [registered] licensed under this section that produces Cannabis seeds that are incapable of germination, or a handler [registered] licensed under this section that processes Cannabis seeds that are incapable of germination into commodities or products, is not required to [register with] be licensed by the department as an agricultural hemp seed producer.
- "(3) An applicant for [registration] a license under this section must submit to the department, in a form and manner prescribed by the department, the following information:
  - "(a) The name and address of the applicant;
  - "(b) The name and address of the [industrial] hemp operation of the applicant; and
  - "(c) Any other information required by the department by rule.
- "(4) [Registration under this section is valid for a one-year term, beginning on January 1.] The department shall adopt rules specifying the period of time for which a license issued under this section is valid. A [grower, handler or agricultural hemp seed producer may renew a

- 1 registration] licensee may renew a license under this section in a form and manner prescribed by 2 the department.
  - "(5) A [registration] license under this section is a personal privilege and is not transferable.
  - "(6) A grower or handler [registered] licensed under this section must keep records as required by the department by rule. Upon not less than three days' notice, the department may subject the records to inspection or audit during normal business hours. The department may make an inspection or audit for the purpose of ensuring compliance with:
    - "(a) A provision of ORS 571.260 to 571.348;

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- "(b) A rule adopted under a provision of ORS 571.260 to 571.348; or
- "(c) An order issued by the department pursuant to a provision of ORS 571.260 to 571.348 or a rule adopted under a provision of ORS 571.260 to 571.348.
- "(7) In addition to any inspection conducted pursuant to ORS 561.275, the department may inspect any crop during the crop's growth phase and take a representative composite sample for field analysis. If a crop contains an average tetrahydrocannabinol concentration exceeding [0.3 percent on a dry weight basis or a tetrahydrocannabinol concentration exceeding the concentration allowed under federal law, whichever is greater,] the concentration specified by the department by rule, the department may detain, seize or embargo the crop as provided under ORS 561.605 to 561.620, subject to any process established under ORS 571.345.
- "(8)(a) The department may charge [growers, handlers and agricultural hemp seed producers] licensees the following fees in amounts reasonably calculated by the department to pay the cost of administering ORS 571.260 to 571.348:
  - "(A) Application fees[, registration and renewal of registration fees,];
  - "(B) License and license renewal fees;
  - "(C) Administrative change fees; and
- "(**D**) Fees for other services [in amounts reasonably calculated by the department to pay the cost of administering ORS 571.260 to 571.348].
- "(b) Moneys from fees charged under this subsection shall be deposited in the [Industrial] Hemp Fund established under ORS 571.278.
- "(9) The department may adopt rules establishing public health and safety standards and industry best practices for [growers and handlers registered under this section] licensees.
  - "SECTION 13. ORS 571.285 is amended to read:
- "571.285. (1) Subject to the provisions of ORS chapter 183, the State Department of Agriculture may revoke [the registration of a grower, handler or agricultural hemp seed producer] a licensee's license or refuse to [register] license or renew the [registration] license if a [grower, handler or agricultural hemp seed producer] licensee violates:
  - "(a) A provision of ORS 571.260 to 571.348;
  - "(b) A rule adopted under a provision of ORS 571.260 to 571.348;
- "(c) An order issued by the department pursuant to a provision of ORS 571.260 to 571.348 or a rule adopted under a provision of ORS 571.260 to 571.348; or
- 40 "(d) Any statutory law or department rule related to agricultural activities other than [indus-41 trial] hemp operations.
- "[(2) The department may not discipline a grower, handler or agricultural hemp seed producer under this section on the basis that possessing, delivering and manufacturing industrial hemp are prohibited by federal law.]
  - "(2) The department may adopt rules to prohibit a licensee from reapplying for a license

under ORS 571.281 for a period of time specified by rule by the department if the licensee violates:

"(a) A provision of ORS 571.260 to 571.348;

- "(b) A rule adopted pursuant to ORS 571.260 to 571.348; or
- "(c) An order issued by the department pursuant to ORS 571.260 to 571.348 or a rule adopted pursuant to ORS 571.260 to 571.348.

"SECTION 14. ORS 571.288 is amended to read:

"571.288. A grower [registered] **licensed** under ORS 571.281 may use any propagation method, including planting seeds or starts or the use of clones or cuttings, to produce [industrial] hemp.

"SECTION 15. ORS 571.294 is amended to read:

"571.294. The State Department of Agriculture may charge growers and handlers [registered] licensed under ORS 571.281 fees reasonably calculated by the department to pay the cost of sampling or testing [industrial] hemp or [industrial] hemp commodities or products under ORS 571.330 and 571.333. Moneys from fees charged under this section shall be deposited in the [Industrial] Hemp Fund established under ORS 571.278.

"SECTION 16. ORS 571.302 is amended to read:

"571.302. (1) For purposes of ORS 633.511 to 633.750, agricultural hemp seed is an agricultural seed or a flower seed, as those terms are defined in ORS 633.511.

- "(2) The Director of Agriculture, or the director's agent, and the Dean of the College of Agricultural Sciences of Oregon State University, or the dean's agent, shall establish a program for the labeling and certification of agricultural hemp seed. For purposes of the program:
- "(a) The director and the dean shall perform their respective duties under ORS 633.511 to 633.750 with respect to agricultural hemp seed in the same manner that the director and dean perform their respective duties under ORS 633.511 to 633.750 with respect to other agricultural seed or flower seed, including but not limited to those duties related to labeling, testing and certifying seeds; and
- "(b) The director and the dean shall exercise their respective functions and powers under ORS 633.511 to 633.750 with respect to agricultural hemp seed in the same manner that the director and dean exercise their respective functions and powers under ORS 633.511 to 633.750 with respect to other agricultural seed or flower seed, including but not limited to inspecting and sampling seeds and making rules and regulations under ORS 633.680.
- "(3) Notwithstanding subsections (1) and (2) of this section, if the director in consultation with the dean determines that a specific provision of ORS 633.511 to 633.750, or a specific rule or regulation made under ORS 633.511 to 633.750, that applies to other agricultural seed or flower seed is inadequate or not suitable for the regulation of agricultural hemp seed, the director may by rule exempt agricultural hemp seed from the provision, rule or regulation and make rules providing more adequate or suitable regulation of agricultural hemp seed.
- "(4)(a) The director and the dean shall collaborate with growers [registered] licensed under ORS 571.281 in performing their respective duties and exercising their respective functions and powers under ORS 633.511 to 633.750 with respect to agricultural hemp seed.
- "(b) The director and the dean may collaborate with growers [registered] licensed under ORS 571.281 and other stakeholders to develop a heritage agricultural hemp seed for this state.
- "(5) The director and the dean may collaborate with entities authorized to certify seeds under the laws of other states in performing their respective duties and exercising their respective functions and powers under ORS 633.511 to 633.750 with respect to agricultural hemp seed.

- "(6) A grower [registered] **licensed** under ORS 571.281 is not required, for purposes related to growing [industrial] hemp, to use an agricultural hemp seed variety certified under the program described in this section.
- "(7) The State Department of Agriculture may establish by rule waivers to, or exemptions from, tests that would otherwise be conducted to determine a crop's average tetrahydrocannabinol concentration for crops planted with agricultural hemp seed varieties certified pursuant to the program described in this section.

## "SECTION 17. ORS 571.327 is amended to read:

- "571.327. (1) An agricultural hemp seed producer [registered] licensed under ORS 571.281:
- "(a) Must sell agricultural hemp seed in a manner that complies with any standard established by the Director of Agriculture under ORS 633.511 to 633.750; and
- "(b) May sell agricultural hemp seed only if the agricultural hemp seed meets any packaging or labeling requirement, or any quality standard, adopted by the director under subsection (2) of this section.
- "(2) The director may adopt rules establishing packaging requirements, labeling requirements and quality standards for agricultural hemp seed.
- "(3) The State Department of Agriculture shall make available to growers [registered] licensed under ORS 571.281 information that identifies agricultural hemp seed producers [registered] licensed under ORS 571.281 from whom the growers may purchase agricultural hemp seed.

### "SECTION 18. ORS 571.330 is amended to read:

- "571.330. (1) For purposes of this section, 'consumption' means to ingest, inhale or topically apply to the skin or hair.
- "(2)(a) A laboratory licensed by the Oregon Liquor Control Commission under ORS 475B.560 and accredited by the Oregon Health Authority pursuant to ORS 475B.565 may test [industrial] hemp and [industrial] hemp commodities and products produced or processed by a [grower, handler or agricultural hemp seed producer registered under ORS 571.281] licensee.
- "(b) An accredited independent testing laboratory that has been approved by the authority or the State Department of Agriculture may test [industrial] hemp and [industrial] hemp commodities and products produced or processed by a [grower, handler or agricultural hemp seed producer registered under ORS 571.281] licensee.
- "(3) A grower or handler may not sell or transfer [an industrial] a hemp commodity or product that is intended for human consumption unless the commodity or product is tested by a laboratory described in subsection (2) of this section to ensure that the commodity or product meets the requirements adopted by the Oregon Health Authority under ORS 475B.555 (1)(a) and (b) and (2) for testing marijuana items.
  - "(4) For purposes of this section, the department shall adopt rules:
  - "(a) Establishing protocols for the testing of [industrial] hemp commodities and products; and
- 38 "(b) Establishing procedures for determining batch sizes and for sampling [industrial] hemp 39 commodities and products.
  - "(5) This section does not apply to:
  - "(a) Agricultural hemp seed;
- 42 "(b) Seeds of the plant genus Cannabis within the plant family Cannabaceae that are incapable 43 of germination;
  - "(c) Products derived from seeds described in paragraph (b) of this subsection; or
- 45 "(d) Other parts of [industrial] hemp that the department identifies by rule as exempt.

#### "SECTION 19. ORS 571.333 is amended to read:

"571.333. (1) The State Department of Agriculture may enter into an agreement with the Oregon Health Authority for the purpose of developing standards for investigating and testing [an industrial] a hemp crop to determine the average tetrahydrocannabinol concentration of the crop.

"(2) In accordance with standards developed under subsection (1) of this section, a laboratory described in ORS 571.330 may test [an industrial] a hemp crop for the purpose of determining the average tetrahydrocannabinol concentration of the crop. The laboratory must provide the test results to the department in a form and manner prescribed by the department.

### "SECTION 20. ORS 571.336 is amended to read:

"571.336. (1) As used in this section, 'licensee,' 'marijuana,' 'marijuana item' and 'marijuana processor' have the meanings given those terms in ORS 475B.015.

- "(2) A grower [registered] licensed under ORS 571.281 may deliver [industrial] hemp, and a handler [registered] licensed under ORS 571.281 may deliver [industrial] hemp concentrates and [industrial] hemp extracts, to a marijuana processor that holds a license issued under ORS 475B.090, if:
- "(a) The grower or handler and the marijuana processor are registered with the Oregon Liquor Control Commission, in a form and manner prescribed by the commission, for the purpose of processing [industrial] hemp, [industrial] hemp concentrates and [industrial] hemp extracts;
- "(b) The marijuana processor is provided with the results of any test conducted on the [industrial] hemp, [industrial] hemp concentrate or [industrial] hemp extract pursuant to ORS 571.260 to 571.348 as a condition of the marijuana processor's receiving the [industrial] hemp, [industrial] hemp concentrate or [industrial] hemp extract;
- "(c) The marijuana processor keeps the results of any test that the marijuana processor receives pursuant to paragraph (b) of this subsection in a form and manner prescribed by the commission;
- "(d) The [industrial] hemp, [industrial] hemp concentrate or [industrial] hemp extract is tracked using the system developed and maintained under ORS 475B.177 when the [industrial] hemp, [industrial] hemp concentrate or [industrial] hemp extract is delivered to the premises of the marijuana processor; and
- "(e) The grower or handler and the marijuana processor meet any other requirement established by the commission by rule.
- "(3) [Industrial] Hemp, [industrial] hemp concentrates and [industrial] hemp extracts may be processed by a marijuana processor registered under this section into any [industrial] hemp commodity or product or used by a marijuana processor registered under this section to supplement the processing of any marijuana item.
- "(4) [An industrial] A hemp concentrate, [industrial] hemp extract, [industrial] hemp commodity or product or marijuana item processed pursuant to this section may be delivered by a marijuana processor registered under this section to a licensee as described in ORS 475B.206, provided that the [industrial] hemp concentrate, [industrial] hemp extract, [industrial] hemp commodity or product or marijuana item meets any applicable requirement for marijuana items set forth in ORS 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted under ORS 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655.
- "(5) The commission may impose an annual fee reasonably calculated to not exceed the cost of administering this section on growers registered under this section, handlers registered under this section and marijuana processors registered under this section. Fees collected under this section shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.296.

- Moneys deposited in the fund pursuant to this subsection are continuously appropriated to the commission for the purpose of administering this section.
- 3 "SECTION 21. ORS 571.337 is amended to read:
- 4 "571.337. (1) As used in this section:

- "(a) 'Consumption' has the meaning given that term in ORS 571.330.
- "(b) 'Processor' means a person licensed under ORS 475B.090.
- 7 "(c) 'Retailer' means a person licensed under ORS 475B.105.
- 8 "(d) 'Wholesaler' means a person licensed under ORS 475B.100.
- 9 "(2) [Except as provided in ORS 571.341,] A processor, retailer or wholesaler may purchase, re-10 ceive, transfer, sell or transport [industrial] hemp, or [an industrial] a hemp commodity or product 11 that contains cannabinoids and is intended for human consumption, only if:
  - "(a) The processor, retailer or wholesaler received the hemp, commodity or product from a grower or handler [registered] licensed under ORS 571.281 or a processor;
  - "(b) The grower, handler or processor under paragraph (a) of this subsection is registered by the Oregon Liquor Control Commission as provided under ORS 571.336; and
  - "(c) The hemp, commodity or product meets the requirements for marijuana items under ORS 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted by the commission.
  - "(3) A grower, handler or processor registered as described under ORS 571.336 (2)(a) shall enter hemp, commodity or product that contains cannabinoids, is intended for human consumption and is intended for transfer, sale or transport to a processor, retailer or wholesaler licensed under ORS 475B.010 to 475B.545 into the tracking system described in ORS 475B.177 before the hemp, commodity or product is transferred to a laboratory described in ORS 571.330 (2) for testing of a type described under ORS 475B.555. The commission shall continue to track the hemp, commodity or product entered into the system under this subsection when the hemp, commodity or product is transferred, sold or transported to a premises licensed under ORS 475B.010 to 475B.545, or to other areas under the control of the premises licensee.
  - "(4) The State Department of Agriculture shall adopt rules regarding the activities of growers and handlers under this section.
  - "(5) The commission shall adopt rules regarding the activities of processors, retailers, whole-salers and laboratories under this section.

### "SECTION 22. ORS 571.339 is amended to read:

"571.339. A person may not make a retail sale of [industrial] hemp commodities or products in this state unless the [industrial] hemp commodities or products and the [industrial] hemp used to process the [industrial] hemp commodities or products meet the requirements for processing [industrial] hemp commodities or products or growing [industrial] hemp set forth in ORS 571.260 to 571.348 and rules adopted under ORS 571.260 to 571.348. This section does not apply to the retail sale of [industrial] hemp commodities or products by a marijuana retailer, as defined in ORS 475B.015, that holds a license issued under ORS 475B.105.

#### "SECTION 23. ORS 571.345 is amended to read:

"571.345. The State Department of Agriculture may by rule or order establish a process providing for the remediation of a violation of ORS 571.330 or 571.333 that is committed by a grower or handler [registered] licensed under ORS 571.281 and is not committed intentionally.

"SECTION 24. ORS 571.348 is amended to read:

45 "571.348. (1) Subject to the provisions of ORS chapter 183, the State Department of Agriculture

- may impose a civil penalty not to exceed \$2,500 on a person for violating:
  - "(a) A provision of ORS 571.260 to 571.348;
- "(b) A rule adopted under a provision of ORS 571.260 to 571.348; or
- 4 "(c) An order issued by the department pursuant to a provision of ORS 571.260 to 571.348 or a rule adopted under a provision of ORS 571.260 to 571.348.
  - "[(2) The department may not discipline a person under this section on the basis that possessing, delivering and manufacturing industrial hemp are prohibited by federal law.]
  - "[(3)] (2) All moneys collected by the department under this section shall be deposited in the General Fund in the State Treasury to the credit of the [Industrial] Hemp Fund established under ORS 571.278.
  - "SECTION 25. The State Department of Agriculture shall issue a license to grow or handle hemp under ORS 571.281 on the date the previous registration is due for renewal to a grower or handler who:
  - "(1) Registered under ORS 571.281 on or before the operative date specified in section 27 of this 2020 Act; and
    - "(2) Meets the requirements for registration renewal.
    - "SECTION 26. ORS 571.341 is repealed.
  - "SECTION 27. (1) Sections 2, 3, 5 and 25 of this 2020 Act and the amendments to ORS 571.260, 571.263, 571.269, 571.272, 571.275, 571.278, 571.281, 571.285, 571.288, 571.294, 571.302, 571.327, 571.330, 571.333, 571.336, 571.337, 571.339, 571.345 and 571.348 by sections 6 to 24 of this 2020 Act and the repeal of ORS 571.341 by section 26 of this 2020 Act become operative on October 31, 2020.
  - "(2) The Oregon Health Authority, the Oregon Liquor Control Commission and the State Department of Agriculture may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the authority, the commission and the department to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the authority, the commission and the department by sections 2, 3, 5 and 25 of this 2020 Act and the amendments to ORS 571.260, 571.263, 571.269, 571.272, 571.275, 571.278, 571.281, 571.285, 571.288, 571.294, 571.302, 571.327, 571.330, 571.333, 571.336, 571.337, 571.339, 571.345 and 571.348 by sections 6 to 24 of this 2020 Act and the repeal of ORS 571.341 by section 26 of this 2020 Act.

#### "CONFORMING AMENDMENTS

"SECTION 28. ORS 475B.015 is amended to read:

"475B.015. As used in ORS 475B.010 to 475B.545:

- "(1) 'Cannabinoid' means any of the chemical compounds that are the active constituents derived from marijuana.
- "(2) 'Cannabinoid concentrate' means a substance obtained by separating cannabinoids from marijuana by:
  - "(a) A mechanical extraction process;
  - "(b) A chemical extraction process using a nonhydrocarbon-based solvent, such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;
- "(c) A chemical extraction process using carbon dioxide, provided that the process does not involve the use of high heat or pressure; or

- 1 "(d) Any other process identified by the Oregon Liquor Control Commission, in consultation with 2 the Oregon Health Authority, by rule.
  - "(3) 'Cannabinoid edible' means food or potable liquid into which a cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or flowers have been incorporated.
- 5 "(4) 'Cannabinoid extract' means a substance obtained by separating cannabinoids from 6 marijuana by:
- 7 "(a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane 8 or propane;
- 9 "(b) A chemical extraction process using carbon dioxide, if the process uses high heat or pres-10 sure; or
  - "(c) Any other process identified by the commission, in consultation with the authority, by rule.
  - "(5)(a) 'Cannabinoid product' means a cannabinoid edible and any other product intended for human consumption or use, including a product intended to be applied to the skin or hair, that contains cannabinoids or dried marijuana leaves or flowers.
    - "(b) 'Cannabinoid product' does not include:
- 16 "(A) Usable marijuana by itself;

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- 17 "(B) A cannabinoid concentrate by itself;
- 18 "(C) A cannabinoid extract by itself; or
  - "(D) [Industrial] Hemp, as defined in ORS 571.269.
  - "(6) 'Consumer' means a person who purchases, acquires, owns, holds or uses marijuana items other than for the purpose of resale.
  - "(7) 'Deliver' means the actual, constructive or attempted transfer from one person to another of a marijuana item, whether or not there is an agency relationship.
    - "(8) 'Designated primary caregiver' has the meaning given that term in ORS 475B.791.
  - "(9)(a) 'Financial consideration' means value that is given or received either directly or indirectly through sales, barter, trade, fees, charges, dues, contributions or donations.
  - "(b) 'Financial consideration' does not include marijuana, cannabinoid products or cannabinoid concentrates that are delivered within the scope of and in compliance with ORS 475B.301.
- 29 "(10) 'Homegrown' means grown by a person 21 years of age or older for noncommercial pur-30 poses.
  - "(11) 'Household' means a housing unit and any place in or around a housing unit at which the occupants of the housing unit are producing, processing, possessing or storing homegrown marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid extracts.
  - "(12) 'Housing unit' means a house, an apartment or a mobile home, or a group of rooms or a single room that is occupied as separate living quarters, in which the occupants live and eat separately from any other persons in the building and that has direct access from the outside of the building or through a common hall.
    - "(13) 'Immature marijuana plant' means a marijuana plant that is not flowering.
- 39 "(14) 'Licensee' means a person that holds a license issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105.
  - "(15) 'Licensee representative' means an owner, director, officer, manager, employee, agent or other representative of a licensee, to the extent that the person acts in a representative capacity.
  - "(16)(a) 'Manufacture' means producing, propagating, preparing, compounding, converting or processing a marijuana item, either directly or indirectly, by extracting from substances of natural origin.

- 1 "(b) 'Manufacture' includes any packaging or repackaging of a marijuana item or the labeling 2 or relabeling of a container containing a marijuana item.
- 3 "(17)(a) 'Marijuana' means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and marijuana seeds.
  - "(b) 'Marijuana' does not include:

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- "(A) [Industrial] Hemp, as defined in ORS 571.269; or
- "(B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one or more cannabinoids, that are approved by the United States Food and Drug Administration and dispensed by a pharmacy, as defined in ORS 689.005.
  - "(18) 'Marijuana flowers' means the flowers of the plant genus Cannabis within the plant family Cannabaceae.
- "(19) 'Marijuana items' means marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts.
- "(20) 'Marijuana leaves' means the leaves of the plant genus Cannabis within the plant family
  Cannabaceae.
  - "(21) 'Marijuana processor' means a person that processes marijuana items in this state.
  - "(22) 'Marijuana producer' means a person that produces marijuana in this state.
- 18 "(23) 'Marijuana retailer' means a person that sells marijuana items to a consumer in this state.
- 19 "(24)(a) 'Marijuana seeds' means the seeds of the plant Cannabis family Cannabaceae.
- 20 "(b) 'Marijuana seeds' does not include the seeds of [industrial] hemp, as defined in ORS 571.269.
  - "(25) 'Marijuana wholesaler' means a person that purchases marijuana items in this state for resale to a person other than a consumer.
  - "(26) 'Mature marijuana plant' means a marijuana plant that is not an immature marijuana plant.
  - "(27) 'Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid extract' means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a concentration of tetrahydrocannabinoid that is permitted under ORS 475B.625 in a single serving of the cannabinoid product, cannabinoid concentrate or cannabinoid extract for consumers who hold a valid registry identification card issued under ORS 475B.797.
  - "(28) 'Medical purpose' means a purpose related to using usable marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid extracts to mitigate the symptoms or effects of a debilitating medical condition, as defined in ORS 475B.791.
  - "(29) 'Noncommercial' means not dependent or conditioned upon the provision or receipt of financial consideration.
  - "(30)(a) 'Premises' includes the following areas of a location licensed under ORS 475B.010 to 475B.545:
  - "(A) All public and private enclosed areas at the location that are used in the business operated at the location, including offices, kitchens, rest rooms and storerooms;
  - "(B) All areas outside a building that the commission has specifically licensed for the processing, wholesale sale or retail sale of marijuana items; and
  - "(C) For a location that the commission has specifically licensed for the production of marijuana outside a building, that portion of the location used to produce marijuana.
    - "(b) 'Premises' does not include a primary residence.
- 44 "(31)(a) 'Processes' means the processing, compounding or conversion of marijuana into 45 cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

- "(b) 'Processes' does not include packaging or labeling.
- 2 "(32)(a) 'Produces' means the manufacture, planting, cultivation, growing or harvesting of marijuana.
  - "(b) 'Produces' does not include:

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- "(A) The drying of marijuana by a marijuana processor, if the marijuana processor is not otherwise producing marijuana; or
  - "(B) The cultivation and growing of an immature marijuana plant by a marijuana processor, marijuana wholesaler or marijuana retailer if the marijuana processor, marijuana wholesaler or marijuana retailer purchased or otherwise received the plant from a licensed marijuana producer.
  - "(33) 'Propagate' means to grow immature marijuana plants or to breed or produce marijuana seeds.
  - "(34) 'Public place' means a place to which the general public has access and includes, but is not limited to, hallways, lobbies and other parts of apartment houses and hotels not constituting rooms or apartments designed for actual residence, and highways, streets, schools, places of amusement, parks, playgrounds and areas used in connection with public passenger transportation.
    - "(35) 'Registry identification cardholder' has the meaning given that term in ORS 475B.791.
- 17 "(36)(a) 'Usable marijuana' means the dried leaves and flowers of marijuana.
- 18 "(b) 'Usable marijuana' does not include:
- 19 "(A) Marijuana seeds;
- 20 "(B) The stalks and roots of marijuana; or
- 21 "(C) Waste material that is a by-product of producing or processing marijuana.
  - "SECTION 29. ORS 475B.253 is amended to read:
- 23 "475B.253. (1) As used in this section, '[industrial] hemp' has the meaning given that term in 24 ORS 571.269.
  - "(2) [An industrial] A hemp product or commodity offered for sale by a marijuana retailer that holds a license issued under ORS 475B.105 must carry a label that clearly identifies whether the product or commodity is derived from hemp or marijuana.
  - "(3) The Oregon Liquor Control Commission may inspect the premises of a marijuana retailer that holds a license issued under ORS 475B.105 to ensure compliance with this section.
    - "SECTION 30. ORS 475B.550 is amended to read:
    - "475B.550. As used in ORS 475B.550 to 475B.590:
- "(1) 'Cannabinoid' means any of the chemical compounds that are the active constituents of marijuana.
  - "(2) 'Cannabinoid concentrate or extract' means a substance obtained by separating cannabinoids from marijuana by a mechanical, chemical or other process.
  - "(3) 'Cannabinoid edible' means food or potable liquid into which a cannabinoid concentrate or extract or the dried leaves or flowers of marijuana have been incorporated.
  - "(4)(a) 'Cannabinoid product' means a cannabinoid edible or any other product intended for human consumption or use, including a product intended to be applied to a person's skin or hair, that contains cannabinoids or the dried leaves or flowers of marijuana.
    - "(b) 'Cannabinoid product' does not include:
  - "(A) Usable marijuana by itself;
    - "(B) A cannabinoid concentrate or extract by itself; or
- 44 "(C) [Industrial] Hemp, as defined in ORS 571.269.
- 45 "(5)(a) 'Marijuana' means the plant Cannabis family Cannabaceae, any part of the plant

- 1 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.
  - "(b) 'Marijuana' does not include:

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- 3 "(A) [Industrial] Hemp, as defined in ORS 571.269; or
- "(B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one or more cannabinoids, that are approved by the United States Food and Drug Administration and dispensed by a pharmacy, as defined in ORS 689.005.
- 7 "(6) 'Marijuana item' means marijuana, usable marijuana, a cannabinoid product or a 8 cannabinoid concentrate or extract.
  - "(7) 'Processing' means the compounding or conversion of marijuana into cannabinoid products or cannabinoid concentrates or extracts.
  - "(8) 'Producing' means:
- 12 "(a) Planting, cultivating, growing, trimming or harvesting marijuana; or
- 13 "(b) Drying marijuana leaves and flowers.
- 14 "(9)(a) 'Usable marijuana' means the dried leaves and flowers of marijuana.
- 15 "(b) 'Usable marijuana' does not include:
- 16 "(A) The seeds, stalks and roots of marijuana; or
- 17 "(B) Waste material that is a by-product of producing or processing marijuana.
- "SECTION 31. ORS 475B.600 is amended to read:
- 19 "475B.600. As used in ORS 475B.600 to 475B.655:
- 20 "(1) 'Cannabinoid' means any of the chemical compounds that are the active constituents of marijuana.
  - "(2) 'Cannabinoid concentrate or extract' means a substance obtained by separating cannabinoids from marijuana by a mechanical, chemical or other process.
    - "(3) 'Cannabinoid edible' means food or potable liquid into which a cannabinoid concentrate or extract or the dried leaves or flowers of marijuana have been incorporated.
    - "(4)(a) 'Cannabinoid product' means a cannabinoid edible or any other product intended for human consumption or use, including a product intended to be applied to a person's skin or hair, that contains cannabinoids or the dried leaves or flowers of marijuana.
      - "(b) 'Cannabinoid product' does not include:
  - "(A) Usable marijuana by itself;
    - "(B) A cannabinoid concentrate or extract by itself; or
- 32 "(C) [Industrial] Hemp, as defined in ORS 571.269.
- 33 "(5)(a) 'Marijuana' means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.
  - "(b) 'Marijuana' does not include:
  - "(A) [Industrial] Hemp, as defined in ORS 571.269; or
- "(B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one or more cannabinoids, that are approved by the United States Food and Drug Administration and dispensed by a pharmacy, as defined in ORS 689.005.
- 40 "(6) 'Marijuana item' means marijuana, usable marijuana, a cannabinoid product or a 41 cannabinoid concentrate or extract.
- 42 "(7) 'Processing' means the compounding or conversion of marijuana into cannabinoid products 43 or cannabinoid concentrates or extracts.
  - "(8) 'Producing' means:
- 45 "(a) Planting, cultivating, growing, trimming or harvesting marijuana; or

- "(b) Drying marijuana leaves and flowers.
- "(9)(a) 'Usable marijuana' means the dried leaves and flowers of marijuana.
- 3 "(b) 'Usable marijuana' does not include:
  - "(A) The seeds, stalks and roots of marijuana; or
  - "(B) Waste material that is a by-product of producing or processing marijuana.

"SECTION 32. (1) The amendments to ORS 475B.015, 475B.253, 475B.550 and 475B.600 by sections 28 to 31 of this 2020 Act become operative on October 31, 2020.

"(2) The Oregon Health Authority and the Oregon Liquor Control Commission may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the authority and the commission to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the authority and the commission by the amendments to ORS 475B.015, 475B.253, 475B.550 and 475B.600 by sections 28 to 31 of this 2020 Act.

#### "CANNABIS OFFENSES

### "SECTION 33. ORS 133.619 is amended to read:

- "133.619. (1) A warrant authorizing the installation or tracking of a mobile tracking device shall be executed as provided in this section.
- "(2) The officer need not inform any person of the existence or content of the warrant prior to its execution.
- "(3) Except as provided in subsection (4) of this section, the officer need not deliver or leave a receipt for things seized or observations made under authority of the warrant.
- "(4) Within five days of the execution of the warrant, or, in the case of an ongoing investigation, within such additional time as the issuing judge may allow upon application, the officer shall mail a receipt for things seized or observations made under authority of the warrant to the following:
  - "(a) If the mobile tracking device has been affixed to a vehicle, to the registered owner; and
  - "(b) To such other persons as the court may direct in the warrant.
- "(5) The receipt provided for in subsection (4) of this section must include the dates and times during which the officer monitored or attempted to monitor the mobile tracking device.
- "(6) A warrant authorizing the installation or tracking of a mobile tracking device shall be issued only when based upon the submission of an affidavit or oral statement as described in ORS 133.545, which affidavit or statement demonstrates that probable cause exists to believe that an individual is committing or is about to commit:
- "(a) A particular felony of murder, kidnapping, arson, robbery or other crime dangerous to life and punishable as a felony;
- "(b) A crime punishable as a felony arising under ORS 475.752 [or], 475.806 to 475.894, **475B.010** to 475B.545 or 475B.785 to 475B.949;
- 39 "(c) The crime of unlawfully transporting metal property under ORS 164.857 or a crime de-40 scribed in ORS 165.118;
  - "(d) Bribery, extortion, burglary or unauthorized use of a motor vehicle punishable as a felony;
  - "(e) A violation of a criminal provision of the wildlife laws as described in ORS 496.002;
- 43 "(f) A violation of a criminal provision of the commercial fishing laws as described in ORS 506.001;
  - "(g) A violation of ORS 704.020, 704.021, 704.030 or 704.065; or

- "(h) A conspiracy to commit a crime listed in this subsection.
- "(7) A court may authorize the installation or tracking of a mobile tracking device for a period not to exceed 30 days. Upon application, the court may grant one or more extensions for a period not to exceed 30 days per extension.
  - "SECTION 34. ORS 161.067 is amended to read:

- "161.067. (1)(a) When the same conduct or criminal episode violates two or more statutory provisions and each provision requires proof of an element that the others do not, there are as many separately punishable offenses as there are separate statutory violations.
- "(b) Notwithstanding paragraph (a) of this subsection, when the same conduct or criminal episode violates the following statutory provisions, the two determinations of guilt merge into a single conviction and are not separately punishable:
- "(A) Unlawful delivery of a marijuana item under ORS 475B.346 based on conduct constituting an attempted delivery; and
  - "(B) Unlawful possession of a marijuana item under ORS 475B.337 or 475B.341.
- "(2) When the same conduct or criminal episode, though violating only one statutory provision involves two or more victims, there are as many separately punishable offenses as there are victims. However, two or more persons owning joint interests in real or personal property shall be considered a single victim for purposes of determining the number of separately punishable offenses if the property is the subject of one of the following crimes:
- "(a) Theft as defined in ORS 164.015.
  - "(b) Unauthorized use of a vehicle as defined in ORS 164.135.
- "(c) Criminal possession of rented or leased personal property as defined in ORS 164.140.
  - "(d) Criminal possession of a rented or leased motor vehicle as defined in ORS 164.138.
- 24 "(e) Burglary as defined in ORS 164.215 or 164.225.
  - "(f) Criminal trespass as defined in ORS 164.243, 164.245, 164.255, 164.265 or 164.278.
  - "(g) Arson and related offenses as defined in ORS 164.315, 164.325 or 164.335.
  - "(h) Forgery and related offenses as defined in ORS 165.002 to 165.070.
    - "(3) When the same conduct or criminal episode violates only one statutory provision and involves only one victim, but nevertheless involves repeated violations of the same statutory provision against the same victim, there are as many separately punishable offenses as there are violations, except that each violation, to be separately punishable under this subsection, must be separated from other such violations by a sufficient pause in the defendant's criminal conduct to afford the defendant an opportunity to renounce the criminal intent. Each method of engaging in oral or anal sexual intercourse as defined in ORS 163.305, and each method of engaging in unlawful sexual penetration as defined in ORS 163.408 and 163.411 shall constitute separate violations of their respective statutory provisions for purposes of determining the number of statutory violations.
      - "SECTION 35. ORS 165.663 is amended to read:
    - "165.663. Any police officer may apply to the circuit court in which judicial district the targeted telephone is located for an ex parte order or extension of an order authorizing the installation and use of a pen register or a trap and trace device. The application shall:
      - "(1) Be in writing under oath;
  - "(2) Include the identity of the applicant and the identity of the law enforcement agency conducting the investigation;
  - "(3) Contain a statement demonstrating that there is probable cause to believe that an individual is committing, has committed or is about to commit:

- 1 "(a) A particular felony of murder, kidnapping, arson, robbery, bribery, extortion or other crime 2 dangerous to life and punishable as a felony;
- 3 "(b) A crime punishable as a felony under ORS 475.752, 475.806 to 475.894 [or], 475.906, **475B.010**4 **to 475B.545 or 475B.785 to 475B.949**;
  - "(c) A crime under ORS 166.720 that includes as part of the pattern of racketeering activity at least one incident of conduct that constitutes a felony; or
    - "(d) Any conspiracy to commit a crime described in paragraphs (a) to (c) of this subsection; and
- 8 "(4) Contain a statement demonstrating that use of a pen register or trap and trace device will 9 yield evidence relevant to the crime.
  - "SECTION 36. ORS 475B.227 is amended to read:
- "475B.227. (1) For purposes of this section,[:]

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- "[(a)] 'export' includes placing a marijuana item in any mode of transportation for hire, such as luggage, mail or parcel delivery, even if the transportation of the marijuana item is intercepted prior to the marijuana item leaving this state.
- 15 "[(b) 'Marijuana item' includes industrial hemp products and commodities that contain more than 16 0.3 percent tetrahydrocannabinol.]
  - "(2) Except as provided in subsection (3) of this section, a person may not import marijuana items into this state or export marijuana items from this state.
  - "(3) This section does not apply to the import or export of hemp products or commodities to or from this state that contain less than one percent tetrahydrocannabinol and comply with:
  - "(a) ORS 571.260 to 571.348 and rules adopted under, or orders issued pursuant to, ORS 571.260 to 571.348; or
    - "(b) The Agriculture Improvement Act of 2018 (P.L. 115-334).
  - "[(3)] (4) Except as provided in subsection [(4)] (5) of this section, a violation of this section is a Class B violation.
    - "[(4)] (5) A violation of this section is a:
    - "(a) Class A misdemeanor, if the importation or exportation:
- 29 "(A) Is not for consideration and the person holds a license issued under ORS 475B.070, 475B.090, 475B.100, [or] 475B.105 or 571.281; or
- "(B) Concerns an amount of marijuana items that exceeds the applicable maximum amount specified in ORS 475B.337 (1)[(a) to (f)].
  - "(b) Class C felony, if the importation or exportation:
  - "(A) Is for consideration and the person holds a license issued under ORS 475B.070, 475B.090, 475B.100, [or] 475B.105 or 571.281; or
- "(B) Concerns an amount of marijuana items that exceeds 16 times the applicable maximum amount specified in ORS 475B.337 (1).[(a) to (f); or]
- 38 "[(C) Concerns a cannabinoid extract that was not purchased from a marijuana retailer that holds 39 a license issued under ORS 475B.105.]
- 40 **"SECTION 37.** ORS 475B.254 is amended to read:
- 41 "475B.254. (1) As used in this section:
- "(a) 'Consumer' means a person who purchases, acquires, owns, holds or uses marijuana items other than for the purpose of resale.
  - "(b) 'Marijuana item' includes [industrial] hemp products and commodities that contain more [than 0.3 percent] tetrahydrocannabinol than allowed by rule adopted by the State Department

#### of Agriculture.

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- "(2) A person other than a marijuana retailer that holds a license issued under ORS 475B.105 may not sell marijuana items to a consumer.
  - "SECTION 38. ORS 475B.311 is amended to read:
- 5 "475B.311. (1) A person other than a marijuana processor that holds a license issued under ORS 475B.090 or a handler licensed under ORS 571.281 to process hemp may not process cannabinoid extracts into a cannabinoid product.
- 8 "(2) A person may not produce, process or store homemade [industrial] hemp extracts.
  - "(3) Violation of this section is a Class A misdemeanor.
  - "SECTION 39. ORS 475B.337 is amended to read:
  - "475B.337. (1) Except for licensees and licensee representatives acting in accordance with ORS 475B.010 to 475B.545 and any rule adopted under ORS 475B.010 to 475B.545, it is unlawful for any person 21 years of age or older to possess, knowingly or intentionally:
- "(a) An amount of plants in the genus Cannabis within the plant family Cannabaceae in excess of the amount allowed under ORS 475B.301 (1).
  - "(b) More than one ounce of usable marijuana in a public place.
- 17 "(c) More than eight ounces of usable marijuana.
- 18 "(d) More than 16 ounces of cannabinoid products in solid form or cannabinoid concentrates.
- 19 "(e) More than 72 ounces of cannabinoid products in liquid form.
- 20 "(f) More than one ounce of cannabinoid extracts.
- "(g) A cannabinoid extract that was not purchased from a marijuana retailer that holds a license issued under ORS 475B.105 or from a licensed marijuana retailer from another state.
- "(2) Except as provided in subsection (3) of this section, unlawful possession of a marijuana item is a Class A misdemeanor.
  - "(3) Unlawful possession of a marijuana item is:
- "(a) A Class B violation, if the amount possessed is not more than two times the applicable maximum amount specified in subsection (1)(a) to (f) of this section.
- 28 "(b) A Class B misdemeanor, if the amount possessed is more than two times, but not more than 29 four times, the applicable maximum amount specified in subsection (1)(a) to (f) of this section.
  - "(c) A Class C felony, if the amount possessed is:
- "(A) More than 16 times the applicable maximum amount specified in subsection (1)(a), (c), (d), (2) (e) or (f) of this subsection;
  - "(B) More than eight pounds of usable marijuana in a public place; or
  - "(C) More than one-quarter ounce of cannabinoid extract that was not purchased from a marijuana retailer that holds a license issued under ORS 475B.105 or from a licensed marijuana retailer from another state.
    - "SECTION 40. ORS 475B.354 is amended to read:
  - "475B.354. (1) Except as provided in subsection (3) of this section, a felony under ORS 475B.337 or 475B.341 shall be classified as crime category 1 of the sentencing guidelines grid of the Oregon Criminal Justice Commission.
  - "(2) Except as provided in subsection (3) of this section, a felony under ORS 475B.346 or 475B.349 shall be classified as crime category 4 of the sentencing guidelines grid of the Oregon Criminal Justice Commission.
- 44 "(3) Subject to subsection (4) of this section, a felony under ORS 475B.337, 475B.341, 475B.346 45 or 475B.349 shall be classified as crime category 8 of the sentencing guidelines grid of the Oregon

Criminal Justice Commission if the violation is a commercial marijuana offense. A violation is a commercial marijuana offense for purposes of this subsection if the violation was committed in conjunction with at least three of the following factors:

- "(a) The offender [delivered a marijuana item for consideration] was in possession of an amount of marijuana items that exceeds 16 times the applicable maximum amount specified in ORS 475B.301;
  - "(b) The offender was in possession of [\$300] \$3,000 or more in cash;

- "(c) The offender was unlawfully in possession of a firearm or other weapon as described in ORS 166.270 (2), the offender used, attempted to use or threatened to use a deadly weapon or dangerous weapon, as those terms are defined in ORS 161.015, or the offender was in possession of a firearm or other deadly weapon or dangerous weapon for the purpose of using the deadly weapon or dangerous weapon;
- "[(d) The offender was in possession of materials being used for the packaging of marijuana items, such as scales, wrapping or foil, other than a material used to contain the marijuana item that is the subject of the violation;]
  - "[(e)] (d) The offender was in possession of marijuana item transaction records or customer lists;
  - "[(f)] (e) The offender was in possession of stolen property;
- "[(g)] (f) The offender was in possession of manufacturing paraphernalia specifically designed for producing marijuana, such as recipes, [precursor chemicals, laboratory equipment,] lighting equipment, ventilating equipment or power generation equipment;
- "[(h)] (g) The offender modified structures by painting, wiring, plumbing or lighting the structures to facilitate the offense;
  - "[(i)] (h) The offender used public lands to manufacture the marijuana item; or
- "[(j)] (i) The offender constructed fortifications or took security measures that had the potential to injure persons.
- "(4) To prove that a violation is a commercial marijuana offense for purposes of subsection (3) of this section, the state must plead in the accusatory instrument at least three of the factors described in subsection (3) of this section. The state has the burden of proving each factor beyond a reasonable doubt.
- "SECTION 41. (1) The amendments to ORS 133.619, 161.067, 165.663, 475B.227, 475B.254, 475B.311, 475B.337 and 475B.354 by sections 33 to 40 of this 2020 Act become operative on October 31, 2020.
- "(2) The Oregon Liquor Control Commission may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the commission to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the commission by the amendments to ORS 133.619, 161.067, 165.663, 475B.227, 475B.254, 475B.311, 475B.337 and 475B.354 by sections 33 to 40 of this 2020 Act.

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40 "OREGON MEDICAL MARIJUANA ACT

"SECTION 42. ORS 475B.791 is amended to read:

"475B.791. As used in ORS 475B.785 to 475B.949:

"(1) 'Attending [physician] provider' means [a physician licensed under ORS chapter 677] one of the following health care providers who has primary responsibility for the care and treatment

- of a person diagnosed with a debilitating medical condition[.]:
  - "(a) A physician licensed under ORS chapter 677;
- 3 "(b) A physician assistant licensed under ORS 677.505 to 677.525;
- 4 "(c) A nurse practitioner licensed under ORS 678.375 to 678.390;
- 5 "(d) A naturopathic physician licensed under ORS chapter 685; or
  - "(e) A dentist licensed under ORS chapter 679.
- 7 "(2) 'Cannabinoid' means any of the chemical compounds that are the active constituents of 8 marijuana.
- 9 "(3) 'Cannabinoid concentrate' means a substance obtained by separating cannabinoids from 10 marijuana by:
  - "(a) A mechanical extraction process;

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- "(b) A chemical extraction process using a nonhydrocarbon-based solvent, such as vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;
  - "(c) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, provided that the process does not involve the use of high heat or pressure; or
  - "(d) Any other process identified by the Oregon Health Authority, in consultation with the Oregon Liquor Control Commission, by rule.
  - "(4) 'Cannabinoid edible' means food or potable liquid into which a cannabinoid concentrate, cannabinoid extract or dried leaves or flowers of marijuana have been incorporated.
- 20 "(5) 'Cannabinoid extract' means a substance obtained by separating cannabinoids from 21 marijuana by:
- 22 "(a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane 23 or propane:
  - "(b) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, if the process uses high heat or pressure; or
- 26 "(c) Any other process identified by the Oregon Health Authority, in consultation with the 27 Oregon Liquor Control Commission, by rule.
  - "(6) 'Debilitating medical condition' means:
  - "(a) Cancer, glaucoma, a degenerative or pervasive neurological condition, positive status for human immunodeficiency virus or acquired immune deficiency syndrome, or a side effect related to the treatment of those medical conditions;
- 32 "(b) A medical condition or treatment for a medical condition that produces, for a specific pa-33 tient, one or more of the following:
  - "(A) Cachexia;
  - "(B) Severe pain;
- 36 "(C) Severe nausea;
  - "(D) Seizures, including seizures caused by epilepsy; or
- 38 "(E) Persistent muscle spasms, including spasms caused by multiple sclerosis;
- 39 "(c) Post-traumatic stress disorder; or
- "(d) Any other medical condition or side effect related to the treatment of a medical condition adopted by the Oregon Health Authority by rule or approved by the authority pursuant to a petition filed under ORS 475B.946.
  - "(7)(a) 'Delivery' has the meaning given that term in ORS 475.005.
- 44 "(b) 'Delivery' does not include transfer of marijuana by a registry identification cardholder to 45 another registry identification cardholder if no consideration is paid for the transfer.

- 1 "(8)(a) 'Designated primary caregiver' means an individual:
- 2 "(A) Who is 18 years of age or older;

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- 3 "(B) Who has significant responsibility for managing the well-being of a person who has been 4 diagnosed with a debilitating medical condition; and
  - "(C) Who is designated as the person responsible for managing the well-being of a person who has been diagnosed with a debilitating medical condition on that person's application for a registry identification card or in other written notification submitted to the authority.
  - "(b) 'Designated primary caregiver' does not include a person's attending [physician] provider.
    - "(9) 'High heat' means a temperature exceeding 180 degrees.
  - "(10) 'Immature marijuana plant' means a marijuana plant that is not flowering.
- "(11)(a) 'Marijuana' means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.
  - "(b) 'Marijuana' does not include:
  - "(A) [Industrial] Hemp, as defined in ORS 571.269; or
  - "(B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one or more cannabinoids, that are approved by the United States Food and Drug Administration and dispensed by a pharmacy, as defined in ORS 689.005.
  - "(12) 'Marijuana grow site' means a location registered under ORS 475B.810 where marijuana is produced for use by a registry identification cardholder.
  - "(13) 'Marijuana processing site' means a marijuana processing site registered under ORS 475B.840 or a site for which an applicant has submitted an application for registration under ORS 475B.840.
  - "(14) 'Mature marijuana plant' means a marijuana plant that is not an immature marijuana plant.
  - "(15)(a) 'Medical cannabinoid product' means a cannabinoid edible and any other product intended for human consumption or use, including a product intended to be applied to a person's skin or hair, that contains cannabinoids or dried leaves or flowers of marijuana.
    - "(b) 'Medical cannabinoid product' does not include:
- 29 "(A) Usable marijuana by itself;
  - "(B) A cannabinoid concentrate by itself;
  - "(C) A cannabinoid extract by itself; or
- 32 "(D) [Industrial] Hemp, as defined in ORS 571.269.
  - "(16) 'Medical marijuana dispensary' means a medical marijuana dispensary registered under ORS 475B.858 or a site for which an applicant has submitted an application for registration under ORS 475B.858.
  - "(17) 'Medical use of marijuana' means the production, processing, possession, delivery or administration of marijuana, or use of paraphernalia used to administer marijuana, to mitigate the symptoms or effects of a debilitating medical condition.
  - "(18) 'Person designated to produce marijuana by a registry identification cardholder' means a person designated to produce marijuana by a registry identification cardholder under ORS 475B.810 who produces marijuana for a registry identification cardholder at an address other than the address where the registry identification cardholder resides or at an address where more than 12 mature marijuana plants are produced.
  - "(19) 'Process' means the compounding or conversion of marijuana into medical cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

"(20) 'Production' means:

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- 2 "(a) Planting, cultivating, growing, trimming or harvesting marijuana; or
- 3 "(b) Drying marijuana leaves or flowers.
- "(21) 'Registry identification card' means a document issued by the Oregon Health Authority under ORS 475B.797 that identifies a person authorized to engage in the medical use of marijuana and, if the person has a designated primary caregiver under ORS 475B.804, the person's designated primary caregiver.
- 8 "(22) 'Registry identification cardholder' means a person to whom a registry identification card 9 has been issued under ORS 475B.797.
  - "(23)(a) 'Usable marijuana' means the dried leaves and flowers of marijuana.
- "(b) 'Usable marijuana' does not include:
  - "(A) The seeds, stalks and roots of marijuana; or
- 13 "(B) Waste material that is a by-product of producing marijuana.
  - "(24) 'Written documentation' means a statement signed by the attending [physician] **provider** of a person diagnosed with a debilitating medical condition or copies of the person's relevant medical records.
    - "SECTION 43. ORS 475B.797 is amended to read:
  - "475B.797. (1) The Oregon Health Authority shall establish a program for the issuance of registry identification cards to applicants who meet the requirements of this section.
  - "(2) The authority shall issue a registry identification card to an applicant who is 18 years of age or older if the applicant pays a fee in an amount established by the authority by rule and submits to the authority an application containing the following information:
  - "(a) Written documentation from the applicant's attending [physician] **provider** stating that the attending [physician] **provider** has diagnosed the applicant as having a debilitating medical condition and that the medical use of marijuana may mitigate the symptoms or effects of the applicant's debilitating medical condition;
    - "(b) The name, address and date of birth of the applicant;
    - "(c) The name, address and telephone number of the applicant's attending [physician] provider;
    - "(d) Proof of residency, submitted in a form required by the authority by rule;
  - "(e) The name and address of the applicant's designated primary caregiver, if the applicant is designating a primary caregiver under ORS 475B.804; and
  - "(f) The information described in ORS 475B.810 (2), if the applicant is applying to produce marijuana or designate another person under ORS 475B.810 to produce marijuana.
  - "(3)(a) The authority shall issue a registry identification card to an applicant who is under 18 years of age if:
  - "(A) The applicant pays the fee and submits the application described in subsection (2) of this section; and
  - "(B) The custodial parent or legal guardian who is responsible for the health care decisions of the applicant signs and submits to the authority a written statement that:
  - "(i) The applicant's attending [physician] **provider** has explained to the applicant and to the custodial parent or legal guardian the possible risks and benefits of the medical use of marijuana;
- 42 "(ii) The custodial parent or legal guardian consents to the medical use of marijuana by the 43 applicant;
- 44 "(iii) The custodial parent or legal guardian agrees to serve as the applicant's designated pri-45 mary caregiver; and

- "(iv) The custodial parent or legal guardian agrees to control the acquisition, dosage and frequency of the medical use of marijuana by the applicant.
- "(b) An applicant who is under 18 years of age may not apply to produce marijuana under subsection (2)(f) of this section.
  - "(4) The authority shall:

- "(a) On the date on which the authority receives an application described in subsection (2) of this section, issue a receipt to the applicant verifying that the authority received an application under subsection (2) or (3) of this section; and
- "(b) Approve or deny an application received under subsection (2) or (3) of this section within 30 days after receiving the application.
- "(5)(a) If the authority approves an application, the authority shall issue a serially numbered registry identification card to the applicant within five days after approving the application. The registry identification card must include the following information:
  - "(A) The registry identification cardholder's name, address and date of birth;
  - "(B) The issuance date and expiration date of the registry identification card;
- "(C) If the registry identification cardholder designated a primary caregiver under ORS 475B.804, the name and address of the registry identification cardholder's designated primary caregiver; and
  - "(D) Any other information required by the authority by rule.
- "(b) If the registry identification cardholder designated a primary caregiver under ORS 475B.804, the authority shall issue an identification card to the designated primary caregiver. The identification card must contain the information required by paragraph (a) of this subsection.
  - "(6) A registry identification cardholder shall:
- "(a) In a form and manner prescribed by the authority, notify the authority of any change concerning the registry identification cardholder's:
  - "(A) Name, address or attending [physician] provider;
- "(B) Designated primary caregiver, including the designation of a primary caregiver made at a time other than at the time of applying for or renewing a registry identification card; or
- "(C) Person responsible for a marijuana grow site, including the designation of a person responsible for a marijuana grow site made at a time other than at the time of applying for or renewing a registry identification card.
- "(b) Annually renew the registry identification card by paying a fee in an amount established by the authority by rule and submitting to the authority an application that contains the following information:
- "(A) Updated written documentation from the registry identification cardholder's attending [physician] provider stating that the registry identification cardholder still has a debilitating medical condition and that the medical use of marijuana may mitigate the symptoms or effects of the registry identification cardholder's debilitating medical condition;
  - "(B) The information described in subsection (2)(b) to (f) of this section; and
- "(C) If the registry identification cardholder is under 18 years of age, a statement signed by the custodial parent or legal guardian of the registry identification cardholder that meets the requirements of subsection (3) of this section.
  - "(7) The authority shall:
- "(a) On the date on which the authority receives an application described in subsection (2) of this section, issue a receipt to the applicant verifying that the authority received an application

under subsection (6)(b) of this section; and

- "(b) Approve or deny an application received under subsection (6)(b) of this section within 30 days after receiving the application.
- "(8)(a) If the registry identification cardholder's attending [physician] provider determines that the registry identification cardholder no longer has a debilitating medical condition, or determines that the medical use of marijuana is contraindicated for the registry identification cardholder's debilitating medical condition, the registry identification cardholder shall return the registry identification card to the authority within 30 calendar days after receiving notice of the determination.
- "(b) If, because of circumstances beyond the control of the registry identification cardholder, a registry identification cardholder is unable to obtain a second medical opinion about the registry identification cardholder's continuing eligibility for the medical use of marijuana before having to return the registry identification card to the authority, the authority may grant the registry identification cardholder additional time to obtain a second medical opinion.
- "(9)(a) The authority may deny an application for a registry identification card or an application to renew a registry identification card, or may suspend or revoke a registry identification card, if:
- "(A) The applicant or registry identification cardholder does not provide the information required by this section;
- "(B) The authority determines that the applicant or registry identification cardholder provided false information; or
- "(C) The authority determines that the applicant or registry identification cardholder violated a provision of ORS 475B.785 to 475B.949 or a rule adopted under ORS 475B.785 to 475B.949.
- "(b) If a registry identification card is revoked, any associated identification card issued under subsection (5)(b) of this section, or marijuana grow site registration card issued under ORS 475B.810 (6), shall also be revoked.
- "(c) A person whose application is denied, or whose registry identification card is revoked, under this subsection may not reapply for a registry identification card for six months from the date of the denial or revocation unless otherwise authorized by the authority.
- "(10)(a) The authority may deny a designation of a primary caregiver made under ORS 475B.804, or suspend or revoke an associated identification card issued under subsection (5)(b) of this section, if the authority determines that the designee or the registry identification cardholder violated a provision of ORS 475B.785 to 475B.949 or a rule adopted under ORS 475B.785 to 475B.949.
- "(b) A person whose designation has been denied, or whose identification card has been revoked, under this subsection may not be designated as a primary caregiver under ORS 475B.804 for six months from the date of the denial or revocation unless otherwise authorized by the authority.
- "(11)(a) Notwithstanding subsection (2) or (6)(b) of this section, if an applicant for a registry identification card, or a registry identification cardholder applying for renewal of a registry identification card, submits to the authority proof of having served in the Armed Forces of the United States, the authority may not impose a fee that is greater than \$20 for the issuance or renewal of the registry identification card.
- "(b) Notwithstanding subsection (6)(b)(A) of this section, the requirement that a registry identification cardholder include in the application to renew a registry identification card updated written documentation from the cardholder's attending [physician] provider regarding the cardholder's continuing debilitating medical condition does not apply to a service-disabled veteran who:
  - "(A) Has been assigned a total and permanent disability rating for compensation that rates the

veteran as unable to secure or follow a substantially gainful occupation as a result of service-connected disabilities as described in 38 C.F.R. 4.16; or

- "(B) Has a United States Department of Veterans Affairs total disability rating of 100 percent as a result of an injury or illness that the veteran incurred, or that was aggravated, during active military service and who received a discharge or release under other than dishonorable conditions.
- "(12) For any purpose described in ORS 475B.785 to 475B.949, including exemption from criminal liability under ORS 475B.907, a receipt issued by the authority verifying that an application has been submitted to the authority under subsection (2), (3) or (6)(b) of this section has the same legal effect as a registry identification card for 30 days following the date on which the receipt was issued to the applicant.

### "SECTION 44. ORS 475B.913 is amended to read:

- "475B.913. (1) Except as provided in ORS 475B.910, a person has an affirmative defense to a criminal charge of possession, delivery or manufacture of marijuana, or any other criminal offense in which possession, delivery or manufacture of marijuana is an element, if the person charged with the offense:
- "(a) Was diagnosed with a debilitating medical condition within 12 months of the date on which the person was arrested and was advised by the person's attending [physician] provider that the medical use of marijuana may mitigate the symptoms or effects of that debilitating medical condition;
  - "(b) Is engaged in the medical use of marijuana; and
- "(c) Possesses, delivers or manufactures marijuana only in quantities permitted under ORS 475B.831.
  - "(2) A person does not need to lawfully possess a registry identification card to assert the affirmative defense established in this section.
  - "(3) A person engaged in the medical use of marijuana who claims that marijuana provides medically necessary benefits and who is charged with a crime pertaining to the use of marijuana is not precluded from presenting a defense of choice of evils, as set forth in ORS 161.200, or from presenting evidence supporting the necessity of marijuana for treatment of a specific disease or medical condition, provided that:
  - "(a) The person possesses, delivers or manufactures marijuana only as permitted under ORS 475B.831 (1); and
  - "(b) The person has taken a substantial step toward complying with the provisions of ORS 475B.785 to 475B.949.
  - "(4) A defendant proposing to use the affirmative defense established in this section in a criminal action shall, not less than five days before the trial of the cause, file and serve upon the district attorney a written notice of the intention to assert the affirmative defense. The notice must specifically state the reasons why the defendant is entitled to assert the affirmative defense and the factual basis for the affirmative defense. If the defendant fails to file and serve the notice, the defendant is not permitted to assert the affirmative defense at the trial of the cause unless the court orders, for good cause, otherwise.

#### "SECTION 45. ORS 475B.916 is amended to read:

- "475B.916. The **Oregon Board of Dentistry, Oregon Board of Naturopathic Medicine,** Oregon Medical Board **and Oregon State Board of Nursing** may not impose a civil penalty or take other disciplinary action against an attending [physician] **provider** for:
- "(1) Advising a person diagnosed as having a debilitating medical condition by the attending

[physician] provider or another physician licensed under ORS chapter 677, physician assistant licensed under ORS 677.505 to 677.525, nurse practitioner licensed under ORS 678.375 to 678.390, naturopathic physician licensed under ORS chapter 685 or dentist licensed under ORS chapter 679 about the risks and benefits associated with the medical use of marijuana or that the medical use of marijuana may mitigate the symptoms or effects of the person's debilitating medical condition, provided that the advice is based on the attending [physician's] provider's personal assessment of the person's medical history and current medical condition; or

"(2) Providing the written documentation necessary for issuance or renewal of a registry identification card under ORS 475B.797, provided that the written documentation is based on the attending [physician's] provider's personal assessment of the person's medical history and current medical condition and the attending [physician] provider has discussed with the person the potential risks and benefits associated with the medical use of marijuana.

"SECTION 46. ORS 475B.952 is amended to read:

"475B.952. (1) The Oregon Cannabis Commission is established within the Oregon Health Authority. The commission consists of:

- "(a) The Public Health Officer or the Public Health Officer's designee; and
- "(b) Eight members appointed by the Governor as follows:
- "(A) A registry identification cardholder, as defined in ORS 475B.791;
- "(B) A person designated to produce marijuana by a registry identification cardholder, as defined in ORS 475B.791;
  - "(C) An attending [physician] **provider**, as defined in ORS 475B.791;
  - "(D) A person representing the Oregon Health Authority;
- 23 "(E) A person representing the Oregon Liquor Control Commission;
  - "(F) A local health officer, as described in ORS 431.418;
    - "(G) A law enforcement officer; and

- "(H) A person knowledgeable about research proposal grant protocols.
- "(2) The term of office of each member of the commission is four years, but a member serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on January 1 of the following year. A member is eligible for reappointment. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term.
- "(3) The appointment of each member of the commission is subject to confirmation by the Senate in the manner prescribed in ORS 171.562 and 171.565.
- "(4) Members of the commission are not entitled to compensation, but may be reimbursed for actual and necessary travel and other expenses incurred by them in the performance of their official duties in the manner and amounts provided for in ORS 292.495.
- "SECTION 47. (1) The amendments to ORS 475B.791, 475B.797, 475B.913, 475B.916 and 475B.952 by sections 42 to 46 of this 2020 Act become operative on October 31, 2020.
- "(2) The Oregon Health Authority may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the authority to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the authority by the amendments to ORS 475B.791, 475B.797, 475B.913, 475B.916 and 475B.952 by sections 42 to 46 of this 2020 Act.

"OREGON CANNABIS COMMISSION

"SECTION 48. ORS 475B.961 is amended to read:

"475B.961. (1) In addition to any other duty prescribed by law, the Oregon Cannabis Commission shall:

- "[(1)] (a) [Provide advice to] Work collaboratively with the Oregon Health Authority [with respect to] in the administration of ORS 475B.785 to 475B.949;
- "[(2)] (b) [Provide advice to] Work collaboratively with the Oregon Liquor Control Commission [with respect to] in the administration of ORS 475B.010 to 475B.545, insofar as those statutes pertain to registry identification cardholders and designated primary caregivers, as those terms are defined in ORS 475B.791;
- "[(3)] (c) Develop a long-term strategic plan for ensuring that cannabis will remain a therapeutic option for persons with debilitating medical conditions as defined in ORS 475B.791;
- "[(4)] (d) Develop a long-term strategic plan for ensuring that cannabis will remain affordable for persons with debilitating medical conditions as defined in ORS 475B.791; and
  - "[(5)] (e) Monitor and study federal laws, regulations and policies regarding marijuana.
- "(2) On or before September 2 of each odd-numbered year, the Oregon Cannabis Commission shall submit a report about the long-term strategic plans described in subsection (1)(c) and (d) of this section, in the manner prescribed in ORS 192.245, to the interim committees of the Legislative Assembly related to health and the judiciary. The commission may include with the submission described in this subsection any recommendations for legislation.
- "SECTION 49. (1) The amendments to ORS 475B.961 by section 48 of this 2020 Act become operative on October 31, 2020.
- "(2) The Oregon Cannabis Commission may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the commission to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the commission by the amendments to ORS 475B.961 by section 48 of this 2020 Act.

### "CANNABIS TRACKING SYSTEM ASSESSMENT

- "SECTION 50. (1) The Oregon Liquor Control Commission shall assess the financial impact of the tracking system described in ORS 475B.177 on licensees as defined in ORS 475B.015 and the state and make recommendations to improve the tracking system and reduce the cost of tracking to cannabis businesses in Oregon.
- "(2) The commission shall submit findings from the assessment and any recommendations for legislation to the interim committees of the Legislative Assembly related to economic development and marijuana not later than December 31, 2020.

"SECTION 51. Section 50 of this 2020 Act is repealed on January 2, 2021.

#### "CANNABIS COMPLIANCE EDUCATION PROGRAMS

- "SECTION 52. Section 53 of this 2020 Act is added to and made a part of ORS 475B.010 to 475B.545.
- "SECTION 53. (1) The Oregon Liquor Control Commission shall adopt rules to develop compliance education programs for licensees and cannabis entities regulated by the com-

mission. In adopting rules under this section, the commission shall consult with licensees 1 2 and other interested parties. 3 "(2) The rules adopted under this section must: 4 "(a) Clarify that participation in a compliance education program is voluntary; "(b) Establish mitigation periods for certain violations, as determined by the commission, 5 of ORS 475B.010 to 475B.545 and rules adopted under ORS 475B.010 to 475B.545; and 6 "(c) Include that the commission may offer recommendations on the abatement of vio-7 lations described in paragraph (b) of this subsection prior to taking any action specified in 8 ORS 475B.256. 9 "(3) The commission may adopt other rules as necessary to carry out this section. 10 "SECTION 54. (1) Section 53 of this 2020 Act becomes operative on January 1, 2021. 11 "(2) The Oregon Liquor Control Commission may take any action before the operative 12 date specified in subsection (1) of this section that is necessary to enable the commission to 13 exercise, on or after the operative date specified in subsection (1) of this section, all of the 14 duties, functions and powers conferred on the commission by section 53 of this 2020 Act. 15 16 "UNIT CAPTIONS 17 18 "SECTION 55. The unit captions used in this 2020 Act are provided only for the conven-19 ience of the reader and do not become part of the statutory law of this state or express any 20 21 legislative intent in the enactment of this 2020 Act. 22

"EFFECTIVE DATE

"SECTION 56. This 2020 Act takes effect on the 91st day after the date on which the 2020 regular session of the Eightieth Legislative Assembly adjourns sine die.".

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