

**A-Engrossed**  
**House Bill 3197**

Ordered by the House March 29  
Including House Amendments dated March 29

Sponsored by Representative MARSH; Representatives LIVELY, MORGAN, WILDE

**SUMMARY**

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

Requires marijuana testing laboratory employee to obtain worker permit from Oregon Liquor Control Commission. Defines "premises" for purposes of marijuana testing laboratories. Allows applicant for worker permit who successfully passes permit examination to temporarily perform work for licensee or laboratory prior to receiving worker permit. **Becomes operative January 1, 2022.**

*[Directs Oregon Liquor Control Commission to establish by rule process to register medical marijuana grow sites. Defines "medical marijuana grow site." Allows medical marijuana grow sites to apply for registration no later than June 1, 2022. Establishes plant production limits for medical marijuana grow sites registered by commission. Specifies that marijuana grow sites registered by Oregon Health Authority may produce marijuana for no more than two registry identification cardholders.]*

*[Allows authority to specify marijuana item testing batch size up to 50 pounds.]*

**Allows commission to allow certain licensed marijuana retailers to relocate to other premises without obtaining new license.**

**Allows marijuana processor to transfer, sell or transport specified industrial hemp commodity or product to person that is not licensed by commission. Becomes operative January 1, 2022.**

*[Becomes operative January 1, 2022.]*

*[Declares emergency, effective on passage.]*

**Takes effect on 91st day following adjournment sine die.**

**A BILL FOR AN ACT**

1  
2 Relating to cannabis; creating new provisions; amending ORS 475B.015, 475B.115, 475B.261, 475B.266,  
3 475B.276, 475B.281, 475B.550 and 571.337; and prescribing an effective date.

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

5  
6 **MARIJUANA WORKER PERMITS**

7  
8 **SECTION 1.** ORS 475B.015 is amended to read:

9 475B.015. As used in ORS 475B.010 to 475B.545:

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

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

14 (a) A mechanical extraction process;

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

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

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

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

3 (3) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate,  
4 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

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

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

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

16 (A) Usable marijuana by itself;

17 (B) A cannabinoid concentrate by itself;

18 (C) A cannabinoid extract by itself; or

19 (D) Industrial hemp, as defined in ORS 571.269.

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

22 (7) “Deliver” means the actual, constructive or attempted transfer from one person to another  
23 of a marijuana item, whether or not there is an agency relationship.

24 (8) “Designated primary caregiver” has the meaning given that term in ORS 475B.791.

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

27 (b) “Financial consideration” does not include marijuana, cannabinoid products or cannabinoid  
28 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.

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

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

38 (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,  
40 475B.100 or 475B.105.

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

43 (16)(a) “Manufacture” means producing, propagating, preparing, compounding, converting or  
44 processing a marijuana item, either directly or indirectly, by extracting from substances of natural  
45 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  
4 Cannabis family Cannabaceae and marijuana seeds.

5 (b) "Marijuana" does not include:

6 (A) Industrial hemp, as defined in ORS 571.269; or

7 (B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one  
8 or more cannabinoids, that are approved by the United States Food and Drug Administration and  
9 dispensed by a pharmacy, as defined in ORS 689.005.

10 (18) "Marijuana flowers" means the flowers of the plant genus Cannabis within the plant family  
11 Cannabaceae.

12 (19) "Marijuana items" means marijuana, cannabinoid products, cannabinoid concentrates and  
13 cannabinoid extracts.

14 (20) "Marijuana leaves" means the leaves of the plant genus Cannabis within the plant family  
15 Cannabaceae.

16 (21) "Marijuana processor" means a person that processes marijuana items in this state.

17 (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.

21 (25) "Marijuana wholesaler" means a person that purchases marijuana items in this state for  
22 resale to a person other than a consumer.

23 (26) "Mature marijuana plant" means a marijuana plant that is not an immature marijuana  
24 plant.

25 (27) "Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid extract"  
26 means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a concen-  
27 tration of tetrahydrocannabinol that is permitted under ORS 475B.625 in a single serving of the  
28 cannabinoid product, cannabinoid concentrate or cannabinoid extract for consumers who hold a  
29 valid registry identification card issued under ORS 475B.797.

30 (28) "Medical purpose" means a purpose related to using usable marijuana, cannabinoid pro-  
31 ducts, cannabinoid concentrates or cannabinoid extracts to mitigate the symptoms or effects of a  
32 debilitating medical condition, as defined in ORS 475B.791.

33 (29) "Noncommercial" means not dependent or conditioned upon the provision or receipt of fi-  
34 nancial consideration.

35 (30)(a) "Premises" includes the following areas of a location licensed under ORS 475B.010 to  
36 475B.545 **or 475B.560**:

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

39 (B) All areas outside a building that the commission has specifically licensed for the processing,  
40 wholesale sale [or], retail sale **or testing** of marijuana items; and

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

43 (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.

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

2 (32)(a) "Produces" means the manufacture, planting, cultivation, growing or harvesting of  
3 marijuana.

4 (b) "Produces" does not include:

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

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

10 (33) "Propagate" means to grow immature marijuana plants or to breed or produce marijuana  
11 seeds.

12 (34) "Public place" means a place to which the general public has access and includes, but is  
13 not limited to, hallways, lobbies and other parts of apartment houses and hotels not constituting  
14 rooms or apartments designed for actual residence, and highways, streets, schools, places of  
15 amusement, parks, playgrounds and areas used in connection with public passenger transportation.

16 (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.

22 **SECTION 2.** ORS 475B.261 is amended to read:

23 475B.261. (1) An individual who performs work for or on behalf of a licensee **or a laboratory**  
24 **licensed under ORS 475B.560** must have a valid permit issued by the Oregon Liquor Control  
25 Commission under ORS 475B.266 if the individual participates in:

26 (a) The possession, production, propagation, processing, securing [*or*], selling, **sampling or**  
27 **testing** of marijuana items at the premises for which the license has been issued;

28 (b) The recording of the possession, production, propagation, processing, securing [*or*], selling,  
29 **sampling or testing** of marijuana items at the premises for which the license has been issued; or

30 (c) The verification of any document described in ORS 475B.216.

31 (2)(a) **An applicant for a permit under ORS 475B.266 who has successfully passed a permit**  
32 **examination required by the commission may perform work described in subsection (1) of**  
33 **this section on behalf of a licensee or a laboratory licensed under ORS 475B.560 for a period**  
34 **of time established by the commission by rule prior to being issued a permit under ORS**  
35 **475B.266.**

36 (b) A licensee **or a laboratory licensed under ORS 475B.560** must verify that an individual  
37 has a valid permit issued under ORS 475B.266 before allowing the individual to [*perform any*] **con-**  
38 **tinue** work described in subsection (1) of this section at the premises for which the license has been  
39 issued **after the period of time described in paragraph (a) of this subsection.**

40 **SECTION 3.** ORS 475B.266 is amended to read:

41 475B.266. (1) The Oregon Liquor Control Commission shall issue permits to qualified applicants  
42 to perform work described in ORS 475B.261. The commission shall adopt rules establishing:

43 (a) The qualifications for performing work described in ORS 475B.261;

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

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

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

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

5 (A) Checking identification;

6 (B) Detecting intoxication;

7 (C) Handling marijuana items;

8 (D) If applicable, producing and propagating marijuana;

9 (E) If applicable, processing marijuana;

10 **(F) If applicable, testing marijuana;**

11 ~~[(F)]~~ (G) The content of ORS 475B.010 to 475B.545 and rules adopted under ORS 475B.010 to  
12 475B.545 **and, if applicable, the content of ORS 475B.550 to 475B.590 and rules adopted under**  
13 **ORS 475B.550 to 475B.590;** or

14 ~~[(G)]~~ (H) Any matter deemed necessary by the commission to protect the public health and  
15 safety.

16 (b) The commission or other provider of a course may charge a reasonable fee for the course.

17 (c) The commission may not require an individual to successfully complete a course more than  
18 once, except that:

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

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

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

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

28 (a) Is convicted of a felony or is convicted of an offense under ORS 475B.010 to 475B.545, except  
29 that the commission may not consider a conviction for an offense under ORS 475B.010 to 475B.545  
30 if the date of the conviction is two or more years before the date of the application or renewal;

31 (b) Violates any provision of ORS 475B.010 to 475B.545 or any rule adopted under ORS 475B.010  
32 to 475B.545; or

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

34 (5) A permit issued under this section is a personal privilege and permits work described under  
35 ORS 475B.261 only for the individual who holds the permit.

36 **SECTION 4.** ORS 475B.276 is amended to read:

37 475B.276. (1) An employee of a licensee **or a laboratory licensed under ORS 475B.560** has the  
38 right to form, join and participate in the activities of a labor organization of the employee's own  
39 choosing for the purpose of securing representation and collective bargaining for matters concerning  
40 employment relations with the licensee **or laboratory**.

41 (2) For purposes of this section, the provisions of ORS chapters 661 to 663 apply to relations  
42 between employees of licensees **or laboratories** and employers that are licensees **or laboratories**  
43 in the same manner that those provisions apply to other employment relations.

44 **SECTION 5.** ORS 475B.281 is amended to read:

45 475B.281. (1) It is an unlawful employment practice for a licensee **or laboratory licensed under**

1 **ORS 475B.560** to discharge, demote, suspend or in any manner discriminate or retaliate against an  
2 employee of the licensee **or laboratory** with regard to promotion, compensation or other terms,  
3 conditions or privileges of employment on the basis that the employee has in good faith reported  
4 information to the Oregon Liquor Control Commission that the employee believes is evidence of a  
5 violation of ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010 to 475B.545.

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

7 **SECTION 6.** ORS 475B.550 is amended to read:

8 475B.550. As used in ORS 475B.550 to 475B.590:

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

11 (2) "Cannabinoid concentrate or extract" means a substance obtained by separating  
12 cannabinoids from marijuana by a mechanical, chemical or other process.

13 (3) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate or  
14 extract or the dried leaves or flowers of marijuana have been incorporated.

15 (4)(a) "Cannabinoid product" means a cannabinoid edible or any other product intended for hu-  
16 man consumption or use, including a product intended to be applied to a person's skin or hair, that  
17 contains cannabinoids or the dried leaves or flowers of marijuana.

18 (b) "Cannabinoid product" does not include:

19 (A) Usable marijuana by itself;

20 (B) A cannabinoid concentrate or extract by itself; or

21 (C) Industrial hemp, as defined in ORS 571.269.

22 (5)(a) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant  
23 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

24 (b) "Marijuana" does not include:

25 (A) Industrial hemp, as defined in ORS 571.269; or

26 (B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one  
27 or more cannabinoids, that are approved by the United States Food and Drug Administration and  
28 dispensed by a pharmacy, as defined in ORS 689.005.

29 (6) "Marijuana item" means marijuana, usable marijuana, a cannabinoid product or a  
30 cannabinoid concentrate or extract.

31 **(7) "Premises" has the meaning given that term in ORS 475B.015.**

32 [(7)] **(8) "Processing"** means the compounding or conversion of marijuana into cannabinoid pro-  
33 ducts or cannabinoid concentrates or extracts.

34 [(8)] **(9) "Producing"** means:

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

36 (b) Drying marijuana leaves and flowers.

37 [(9)(a)] **(10)(a)** "Usable marijuana" means the dried leaves and flowers of marijuana.

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

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

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

41 **SECTION 7. (1) The amendments to ORS 475B.015, 475B.261, 475B.266, 475B.276, 475B.281**  
42 **and 475B.550 by sections 1 to 6 of this 2021 Act become operative on January 1, 2022.**

43 **(2) The Oregon Liquor Control Commission may take any action before the operative date**  
44 **specified in subsection (1) of this section that is necessary to enable the commission to ex-**  
45 **ercise, on and after the operative date specified in subsection (1) of this section, all of the**

1 **duties, functions and powers conferred on the commission by the amendments to ORS**  
2 **475B.015, 475B.261, 475B.266, 475B.276, 475B.281 and 475B.550 by sections 1 to 6 of this 2021**  
3 **Act.**

4  
5 **MARIJUANA RETAILERS**  
6

7 **SECTION 8.** ORS 475B.115 is amended to read:

8 475B.115. (1) If a school described in ORS 475B.105 (2)(d) that has not previously been attended  
9 by children is established within 1,000 feet of a premises for which a license has been issued under  
10 ORS 475B.105, the marijuana retailer located at that premises may remain at that location unless  
11 the Oregon Liquor Control Commission revokes the license of the marijuana retailer under ORS  
12 475B.256.

13 **(2)(a) If the commission issues a license for a premises under ORS 475B.105 and, after**  
14 **issuance, the commission becomes aware that a school is located within 1,000 feet of the**  
15 **premises, the commission may allow the licensee to relocate to a premises that is not within**  
16 **1,000 feet of the school without applying for and being issued a new license under ORS**  
17 **475B.105.**

18 **(b) The commission may adopt rules to carry out this subsection.**  
19

20 **INDUSTRIAL HEMP**  
21

22 **SECTION 9.** ORS 571.337 is amended to read:

23 571.337. (1) As used in this section:

24 (a) "Consumption" has the meaning given that term in ORS 571.330.

25 (b) "Processor" means a person licensed under ORS 475B.090.

26 (c) "Retailer" means a person licensed under ORS 475B.105.

27 (d) "Wholesaler" means a person licensed under ORS 475B.100.

28 (2) Except as provided in ORS 571.341 **and subsection (4) of this section**, a processor, retailer  
29 or wholesaler may purchase, receive, transfer, sell or transport industrial hemp, or an industrial  
30 hemp commodity or product that contains cannabinoids and is intended for human consumption, only  
31 if:

32 (a) The processor, retailer or wholesaler received the hemp, commodity or product from a  
33 grower or handler registered under ORS 571.281 or a processor;

34 (b) The grower, handler or processor under paragraph (a) of this subsection is registered by the  
35 Oregon Liquor Control Commission as provided under ORS 571.336; and

36 (c) The hemp, commodity or product meets the requirements for marijuana items under ORS  
37 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted by the  
38 commission.

39 (3) A grower, handler or processor registered as described under ORS 571.336 (2)(a) shall enter  
40 hemp, commodity or product that contains cannabinoids, is intended for human consumption and is  
41 intended for transfer, sale or transport to a processor, retailer or wholesaler licensed under ORS  
42 475B.010 to 475B.545 into the tracking system described in ORS 475B.177 before the hemp, com-  
43 modity or product is transferred to a laboratory described in ORS 571.330 (2) for testing of a type  
44 described under ORS 475B.555. The commission shall continue to track the hemp, commodity or  
45 product entered into the system under this subsection when the hemp, commodity or product is

1 transferred, sold or transported to a premises licensed under ORS 475B.010 to 475B.545, or to other  
2 areas under the control of the premises licensee.

3 **(4) A processor may transfer, sell or transport an industrial hemp commodity or product**  
4 **to a person that is not a processor, retailer or wholesaler if the industrial hemp commodity**  
5 **or product:**

6 **(a) Is tested as described in ORS 475B.555 and otherwise meets the requirements for**  
7 **marijuana items under ORS 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to**  
8 **475B.655 and rules adopted by the commission;**

9 **(b) Is entered into the tracking system described in ORS 475B.177;**

10 **(c) Prior to the transfer, sale or transport, is held by the processor for the duration and**  
11 **in the manner required by the commission by rule; and**

12 **(d) Meets any other requirements established by the commission by rule.**

13 ~~[(4)]~~ **(5) The State Department of Agriculture shall adopt rules regarding the activities of**  
14 **growers and handlers under this section.**

15 ~~[(5)]~~ **(6) The commission shall adopt rules regarding the activities of processors, retailers,**  
16 **wholesalers and laboratories under this section.**

17 **SECTION 10. (1) The amendments to ORS 571.337 by section 9 of this 2021 Act become**  
18 **operative on January 1, 2022.**

19 **(2) The Oregon Liquor Control Commission may take any action before the operative date**  
20 **specified in subsection (1) of this section that is necessary to enable the commission to ex-**  
21 **ercise, on and after the operative date specified in subsection (1) of this section, all of the**  
22 **duties, functions and powers conferred on the commission by the amendments to ORS 571.337**  
23 **by section 9 of this 2021 Act.**

24  
25 **CAPTIONS**

26  
27 **SECTION 11. The unit captions used in this 2021 Act are provided only for the conven-**  
28 **ience of the reader and do not become part of the statutory law of this state or express any**  
29 **legislative intent in the enactment of this 2021 Act.**

30  
31 **EFFECTIVE DATE**

32  
33 **SECTION 12. This 2021 Act takes effect on the 91st day after the date on which the 2021**  
34 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**