

House Bill 2516

Sponsored by Representative LIVELY (Presession filed.)

SUMMARY

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

Directs Oregon Liquor and Cannabis Commission to adopt rules to allow certain marijuana producers to sell marijuana items directly to consumer. Requires that commission rules related to delivery of marijuana items by marijuana retailer to consumer allow delivery to consumer at hotel or inn. Allows marijuana wholesaler to wholesale or transfer marijuana items to marijuana retailer at trade show or similar event.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to cannabis market growth; creating new provisions; amending ORS 475C.065, 475C.117,
3 475C.177, 475C.205, 475C.221 and 475C.513; and prescribing an effective date.

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

5 **SECTION 1.** ORS 475C.065 is amended to read:

6 475C.065. (1) The production of marijuana is subject to regulation by the Oregon Liquor and
7 Cannabis Commission.

8 (2) A marijuana producer must have a production license issued by the commission for the
9 premises at which the marijuana is produced. To hold a production license issued under this section,
10 a marijuana producer:

11 (a) Must apply for a license in the manner described in ORS 475C.033;

12 (b) Must provide proof that the applicant is 21 years of age or older; and

13 (c) Must meet the requirements of any rule adopted by the commission under subsections (3) and
14 (4) of this section.

15 (3)(a) If the applicant is not the owner of the premises at which the marijuana is to be produced,
16 the applicant shall submit to the commission signed informed consent from the owner of the prem-
17 ises to produce marijuana at the premises.

18 (b) The commission may adopt rules regarding the informed consent described in this subsection.

19 (4) The commission shall adopt rules that:

20 (a) Require a marijuana producer to annually renew a license issued under this section;

21 (b) Establish application, licensure and renewal of licensure fees for marijuana producers;

22 (c) Require marijuana produced by marijuana producers to be tested in accordance with ORS
23 475C.544;

24 (d) Assist the viability of marijuana producers that are independently owned and operated and
25 that are limited in size and revenue with respect to other marijuana producers, by minimizing bar-
26 riers to entry into the regulated system and by expanding, to the extent practicable, transportation
27 options that will support their access to the retail market;

28 (e) Allow a marijuana producer registered under ORS 475C.137 to produce marijuana for medical
29 purposes in the same manner that rules adopted under ORS 475C.005 to 475C.525 allow a marijuana

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 producer to produce marijuana for nonmedical purposes, *[excepting those circumstances where]* **ex-**
 2 **cept when** differentiating between the production of marijuana for medical purposes and the pro-
 3 duction of marijuana for nonmedical purposes is necessary to protect the public health and safety;

4 (f) Require a marijuana *[producers]* **producer** to submit, at the time of applying for or renewing
 5 a license under ORS 475C.033, a report describing the applicant's or licensee's electrical or water
 6 usage;

7 (g) Require a marijuana producer to meet any public health and safety standards and industry
 8 best practices established by the commission by rule related to the production of marijuana or the
 9 propagation of immature marijuana plants and marijuana seeds; *[and]*

10 (h) Support marijuana plant diversity by allowing a qualified marijuana producer to receive
 11 marijuana seeds from any source in this state, but not more than a total of 200 marijuana seeds per
 12 month from all sources combined; **and**

13 (i) **Allow a small-scale marijuana producer, as defined by the commission, to sell**
 14 **marijuana items produced by the marijuana producer directly to a consumer at the premises**
 15 **licensed under this section.**

16 (5) Fees adopted under subsection (4)(b) of this section:

17 (a) May not exceed, together with other fees collected under ORS 475C.005 to 475C.525, the cost
 18 of administering ORS 475C.005 to 475C.525;

19 (b) Shall be in the form of a schedule that imposes a greater fee for premises with more square
 20 footage or on which more marijuana plants are grown; and

21 (c) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS
 22 475C.297.

23 **SECTION 2.** ORS 475C.117 is amended to read:

24 475C.117. (1) A marijuana retailer that holds a license issued under ORS 475C.097 may make
 25 deliveries to a consumer pursuant to the consumer's bona fide order received by the marijuana
 26 retailer. The delivery of marijuana items under this section may be made to a consumer:

27 (a) Within the same city or unincorporated area of the county in which the marijuana retailer
 28 is located; or

29 (b) In a city or the unincorporated area of a county that is adjacent to the city or
 30 unincorporated area of the county in which the marijuana retailer is located, provided the adjacent
 31 city or county has adopted an ordinance allowing for the delivery of marijuana items by a marijuana
 32 retailer located in an adjacent city or unincorporated area of a county.

33 (2) A marijuana retailer that makes deliveries under this section shall:

34 (a) Ensure that deliveries are made in an efficient and timely manner.

35 (b) Upon request, provide to the Oregon Liquor and Cannabis Commission information on each
 36 vehicle used to make deliveries of marijuana items under this section, including the make, model,
 37 year, color, vehicle identification number and registration plate number.

38 (c) Maintain an electronic or physical record of each bona fide order for the delivery of
 39 marijuana items that the marijuana retailer fulfills.

40 (d) Report to the commission, and as necessary to the appropriate law enforcement agency, any
 41 accidents or losses involving a delivery vehicle.

42 (3) An individual who makes deliveries on behalf of a marijuana retailer under this section:

43 (a) Shall:

44 (A) Hold a permit issued under ORS 475C.273 and carry the permit while making deliveries un-
 45 der this section.

1 (B) Have a method of secure electronic communication in order to communicate with the
2 marijuana retailer for which the individual is making deliveries.

3 (C) Maintain an electronic or physical record of a bona fide order for a delivery of a marijuana
4 item.

5 (D) Present to the consumer a printed or electronic delivery manifest and obtain on the manifest
6 the consumer's written or electronic signature verifying completion of the delivery of marijuana
7 items.

8 (E) Except in the case of an emergency or unsafe road conditions or as necessary for fuel, rest
9 or vehicle repair, travel only between the premises of the marijuana retailer and the locations at
10 which the deliveries of marijuana items are made.

11 (b) May not:

12 (A) Leave a delivery vehicle that contains marijuana items unattended unless the delivery ve-
13 hicle is locked and equipped with an active vehicle alarm system.

14 (B) Carry more than \$10,000 worth of marijuana items in a delivery vehicle at any one time.

15 (C) Consume, or be under the influence of, marijuana while making deliveries under this section.

16 (4) A delivery vehicle must:

17 (a) While being used for making deliveries, be equipped with an active global positioning system
18 device that tracks the location of the delivery vehicle and enables the marijuana retailer for which
19 the deliveries are being made to identify the location of the delivery vehicle.

20 (b) Be equipped with a lockable container in a secured cargo area of the delivery vehicle that
21 is of a size appropriate to contain the marijuana items being delivered.

22 (c) Be free of any markings that may indicate that the delivery vehicle is used for the purpose
23 of delivering marijuana items.

24 (5) A delivery of marijuana items may not be made to a consumer who is located on land owned
25 or leased by the federal government.

26 (6) The commission may adopt rules to carry out the purposes of this section. **Rules adopted**
27 **under this subsection must allow the delivery of marijuana items under this section to a**
28 **consumer at a hotel or inn, as defined in ORS 699.005.**

29 **SECTION 3.** ORS 475C.177 is amended to read:

30 475C.177. (1) The Oregon Liquor and Cannabis Commission shall develop and maintain a system
31 for tracking the transfer of marijuana items between premises for which licenses have been issued
32 under ORS 475C.005 to 475C.525.

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

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

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

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

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

40 (e) Ensuring compliance with ORS 475C.005 to 475C.525, rules adopted under ORS 475C.005 to
41 475C.525 and any other law of this state that charges the commission with a duty, function or power
42 related to marijuana.

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

45 (a) The propagation of immature marijuana plants and the production of marijuana by a

1 marijuana producer;

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

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

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

5 (e) The sale and purchase of marijuana items between licensees, as permitted by ORS 475C.005
6 to 475C.525;

7 (f) The transfer of marijuana items between premises for which licenses have been issued under
8 ORS 475C.005 to 475C.525; *[and]*

9 **(g) The sale of marijuana items by a small-scale marijuana producer to a consumer; and**

10 **(h) Any other information that the commission determines is reasonably necessary to accom-**
11 **plish the duties, functions and powers of the commission under ORS 475C.005 to 475C.525.**

12 **SECTION 4.** ORS 475C.205 is amended to read:

13 475C.205. (1) Except as provided in ORS 475C.137 and 475C.850 **and subsection (4) of this**
14 **section** and rules adopted pursuant to ORS 475C.065, a marijuana producer that holds a license is-
15 sued under ORS 475C.065, marijuana processor that holds a license issued under ORS 475C.085 or
16 marijuana wholesaler that holds a license issued under ORS 475C.093 may deliver marijuana items
17 only to or on a premises for which a license has been issued under ORS 475C.065, 475C.085, 475C.093
18 or 475C.097, or to a registry identification cardholder or designated primary caregiver as allowed
19 under ORS 475C.005 to 475C.525.

20 (2) A licensee to which marijuana items may be delivered under subsection (1) of this section
21 may receive marijuana items only from:

22 (a) A marijuana producer that holds a license issued under ORS 475C.065, marijuana processor
23 that holds a license issued under ORS 475C.085, marijuana wholesaler that holds a license issued
24 under ORS 475C.093, marijuana retailer that holds a license issued under ORS 475C.097 or a labo-
25 ratory licensed under ORS 475C.548;

26 (b) A researcher of cannabis that holds a certificate issued under ORS 475C.289 and that
27 transfers limited amounts of marijuana, usable marijuana, cannabinoid products, cannabinoid con-
28 centrates and cannabinoid extracts in accordance with procedures adopted under ORS 475C.289
29 (3)(d) and (e);

30 (c) A marijuana grow site registered under ORS 475C.792, marijuana processing site registered
31 under ORS 475C.815, or a medical marijuana dispensary registered under ORS 475C.833, acting in
32 accordance with procedures adopted by the Oregon Liquor and Cannabis Commission under ORS
33 475C.169; or

34 (d) A marijuana grow site registered under ORS 475C.792, acting in accordance with ORS
35 475C.800 and any procedures adopted by rule by the commission.

36 (3) Except as provided in ORS 475C.117, the sale of marijuana items by a marijuana retailer that
37 holds a license issued under ORS 475C.097 must be restricted to the premises for which the license
38 has been issued.

39 **(4)(a) A marijuana wholesaler that holds a license issued under ORS 475C.093 may, at a**
40 **trade show or similar event, sell at wholesale or transfer marijuana items to a marijuana**
41 **retailer that holds a license issued under ORS 475C.097.**

42 **(b) A marijuana retailer that holds a license issued under ORS 475C.097 may receive from**
43 **a marijuana wholesaler that holds a license issued under ORS 475C.093 marijuana items at**
44 **a trade show or similar event.**

45 *[(4)]* (5) The commission may by order waive the requirements of subsections (1) and (2) of this

1 section to ensure compliance with ORS 475C.005 to 475C.525 or a rule adopted under ORS 475C.005
 2 to 475C.525. An order issued under this subsection does not constitute a waiver of any other re-
 3 quirement of ORS 475C.005 to 475C.525 or any other rule adopted under ORS 475C.005 to 475C.525.

4 **SECTION 5.** ORS 475C.221 is amended to read:

5 475C.221. (1) As used in this section, “information that may be used to identify a consumer”
 6 means information that may be acquired through the production of a piece of identification as de-
 7 scribed in ORS 475C.217, whether the information is contained in a piece of identification described
 8 in ORS 475C.217 or in a different document or record.

9 (2) A consumer may not be required to procure for the purpose of acquiring or purchasing a
 10 marijuana item a piece of identification other than:

11 (a) A piece of identification described in ORS 475C.217; and

12 (b) If the consumer is a registry identification cardholder, as defined in ORS 475C.777, a registry
 13 identification card, as defined in ORS 475C.777.

14 (3) A marijuana retailer **or small-scale marijuana producer** may not record and retain any
 15 information that may be used to identify a consumer, except as necessary to make deliveries to
 16 consumers pursuant to ORS 475C.117, as required by any rules adopted under ORS 475C.117.

17 (4) A marijuana retailer **or small-scale marijuana producer** may not transfer any information
 18 that may be used to identify a consumer to any other person.

19 (5)(a) Notwithstanding subsection (3) of this section, a marijuana retailer **or small-scale**
 20 **marijuana producer** may record and retain the name and contact information of a consumer for the
 21 purpose of notifying the consumer of services that the marijuana retailer **or small-scale marijuana**
 22 **producer** provides or of discounts, coupons and other marketing information if:

23 (A) The marijuana retailer **or small-scale marijuana producer** asks the consumer whether the
 24 marijuana retailer **or small-scale marijuana producer** may record and retain the information; and

25 (B) The consumer consents to the recording and retention of the information.

26 (b) This subsection does not authorize a marijuana retailer **or small-scale marijuana producer**
 27 to transfer information that may be used to identify a consumer.

28 (6) This section does not apply to deidentified information the documentation and transfer of
 29 which is required by the Department of Revenue for purposes of ORS 475C.678.

30 **SECTION 6.** ORS 475C.513 is amended to read:

31 475C.513. (1) Notwithstanding ORS 475C.205 or any other provision prohibiting the transporta-
 32 tion of marijuana items to or from a location for which a license has not been issued under ORS
 33 475C.005 to 475C.525 or prohibiting the possession of marijuana items at a location for which a li-
 34 cense has not been issued under ORS 475C.005 to 475C.525, a licensee may transport marijuana
 35 items to and exhibit marijuana items at a trade show, the Oregon State Fair or a similar event if:

36 (a) The marijuana items are tracked using the system developed and maintained under ORS
 37 475C.177;

38 (b) **Except for any marijuana items sold at wholesale or transferred pursuant to ORS**
 39 **475C.205**, all of the marijuana items are returned to a premises for which a license has been issued
 40 under ORS 475C.005 to 475C.525 immediately after the conclusion of the event; and

41 (c) The licensee complies with any other requirement imposed by the Oregon Liquor and
 42 Cannabis Commission by rule or order for the purpose of ensuring the security of the marijuana
 43 items, for the purpose of preventing minors from having access to the marijuana items or for any
 44 other purpose deemed relevant by the commission.

45 (2) The commission shall adopt rules to implement this section.

1 **SECTION 7.** (1) The amendments to ORS 475C.065, 475C.117, 475C.177, 475C.205, 475C.221
2 and 475C.513 by sections 1 to 6 of this 2023 Act become operative on January 1, 2024.

3 (2) The Oregon Liquor and Cannabis Commission may take any action before the opera-
4 tive date specified in subsection (1) of this section necessary to enable the commission to
5 exercise, on or after the operative date specified in subsection (1) of this section, all of the
6 duties, functions and powers conferred on the commission by the amendments to ORS
7 475C.065, 475C.117, 475C.177, 475C.205, 475C.221 and 475C.513 by sections 1 to 6 of this 2023 Act.

8 **SECTION 8.** This 2023 Act takes effect on the 91st day after the date on which the 2023
9 regular session of the Eighty-second Legislative Assembly adjourns sine die.

10