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.

Requires person that processes cannabinoid hemp commodity or product to hold marijuana processor license issued by Oregon Liquor and Cannabis Commission. Defines “cannabinoid hemp commodity or product.” Requires person that imports cannabinoid hemp commodity or product into this state to obtain distributor certificate from commission and to obtain testing on cannabinoid hemp commodities or products from specified laboratory. Requires individual who performs work related to cannabinoid hemp commodity or product for or on behalf of marijuana licensee to hold permit by commission. Specifies requirements for testing, packaging and labeling cannabinoid hemp commodities or products.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

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

SECTION 1. Sections 2 to 4 of this 2023 Act are added to and made a part of ORS 475C.005 to 475C.525.

SECTION 2. (1)(a) A person may not process cannabinoid hemp commodities or products unless the person holds a processor license issued by the Oregon Liquor and Cannabis Commission under ORS 475C.085.

(b) A person may not sell, transfer or deliver cannabinoid hemp commodities or products to a person other than a consumer unless the person holds a processor license issued under ORS 475C.085 or a wholesale license issued under ORS 475C.093.

(2) A cannabinoid hemp commodity or product must be entered into the tracking system described in ORS 475C.177, and tested in accordance with and meet the requirements established under ORS 475C.544.

(3) Except as provided by the commission by rule, a marijuana processor that holds a license issued under ORS 475C.085 or a marijuana wholesaler that holds a license issued under ORS 475C.093 may sell, transfer or deliver a cannabinoid hemp commodity or product only to:

(a) A person located outside the state of Oregon;

(b) A hemp retailer;

(c) A marijuana processor that holds a license issued under ORS 475C.085;

(d) A marijuana wholesaler that holds a license issued under ORS 475C.093;
(e) A marijuana retailer that holds a license issued under ORS 475C.097; or
(f) A laboratory that holds a license issued under ORS 475C.548.

(4) Except as provided in subsection (5) of this section or by the commission by rule, a marijuana processor that holds a license issued under ORS 475C.085 or a marijuana wholesaler that holds a license issued under ORS 475C.093 may receive a cannabinoid hemp commodity or product only from:

(a) A marijuana processor that holds a license issued under ORS 475C.085;
(b) A marijuana wholesaler that holds a license issued under ORS 475C.093;
(c) A marijuana retailer that holds a license issued under ORS 475C.097;
(d) A laboratory that holds a license issued under ORS 475C.548; or
(e) A distributor.

(5) A marijuana processor that holds a license issued under ORS 475C.085 or a marijuana wholesaler that holds a license issued under ORS 475C.093 may accept the return of a cannabinoid hemp commodity or product from a person to whom the cannabinoid hemp or product was sold, transferred or delivered under subsection (3) of this section.

(6) A cannabinoid hemp commodity or product that is sold, transferred or delivered by a marijuana processor that holds a license issued under ORS 475C.085 or a marijuana wholesaler that holds a license issued under ORS 475C.093 must:

(a) Comply with the requirements of subsection (2) of this section;
(b) Prior to the transfer, sale or transport, be held by the marijuana processor or marijuana wholesaler described in this subsection for the duration of time and in the manner required by the commission by rule; and
(c) Meet any other requirements established by the commission by rule.

(7)(a) Except as otherwise provided by the commission by rule, a cannabinoid hemp commodity or product may not be imported into this state to a person other than a consumer unless the cannabinoid hemp commodity or product is:

(A) Received by a marijuana processor that holds a license issued under ORS 475C.085 or a marijuana wholesaler that holds a license issued under ORS 475C.093; or

(B) Transferred from a distributor and received by a marijuana retailer that holds a license issued under ORS 475C.097 or by a hemp retailer.

(b) Paragraph (a) of this subsection does not apply to cannabinoid hemp commodities or products that are transported through this state en route to a final destination in another state.

(8)(a) The commission shall make publicly available, on a website operated by or on behalf of the commission, a registry of the cannabinoid hemp commodities or products:

(A) Processed by a person described in subsection (1) of this section;

(B) Received pursuant to subsection (7) of this section; or

(C) Imported into this state directly to a consumer as described in ORS 571.339.

(b) The commission may include on the website any additional information regarding cannabinoid hemp commodities or products described in this subsection.

(9) The commission shall adopt rules to carry out this section. The rules adopted under this subsection may include, but are not limited to, rules:

(a) Regarding information that a person described in subsection (1) of this section shall provide to the commission about a cannabinoid hemp commodity or product processed by the person;
(b) Establishing fees for licensure required under this section; and
(c) Establishing reciprocity of fees with the State Department of Agriculture for a person
described in subsection (1) of this section that also holds a license issued by the department
under ORS 571.281.

SECTION 3. (1) A person may not import into this state a cannabinoid hemp commodity
or product unless the person holds a distributor certificate issued under this section.
(2) A marijuana processor that holds a license issued under ORS 475C.085, a marijuana
wholesaler that holds a license under ORS 475C.093 or a marijuana retailer that holds a li-
cense issued under ORS 475C.097 may not import into this state any usable hemp unless the
distributor of the usable hemp has been issued a distributor certificate under this section.
(3) The Oregon Liquor and Cannabis Commission shall adopt rules to:
(a) Establish eligibility requirements for and a process to issue a distributor certificate;
(b) Require a distributor to annually apply for renewal of a certificate issued under this
section;
(c) Establish application, issuance and renewal fees for a certificate under this section;
(d) Require a distributor to use the system developed and maintained under ORS 475C.177
to track cannabinoid hemp commodities or products that a distributor imports into this
state;
(e) Require cannabinoid hemp commodities or products that a distributor imports into
this state to be:
(A) Tested in accordance with and meet the requirements established under ORS
475C.544; and
(B) Labeled in accordance with ORS 475C.600 to 475C.648; and
(f) Require a distributor to meet any public health and safety standards and industry best
practices established by the commission by rule.
(4) Fees adopted under subsection (3)(c) of this section:
(a) May not exceed, together with other fees collected under ORS 475C.005 to 475C.525,
the cost of administering ORS 475C.005 to 475C.525; and
(b) Shall be deposited in the Marijuana Control and Regulation Fund established under
ORS 475C.297.

SECTION 4. (1) A distributor may not submit for testing a cannabinoid hemp commodity
or product to a laboratory located outside the state of Oregon unless the laboratory has been
issued a laboratory certificate by the Oregon Liquor and Cannabis Commission under this
section if the cannabinoid hemp commodity or product is:
(a) A cannabinoid hemp commodity or product intended for import into this state; or
(b) Usable hemp intended for sale, delivery or transfer to a marijuana processor that
holds a license issued under ORS 475C.085, a marijuana wholesaler that holds a license issued
under ORS 475C.093 or a marijuana retailer that holds a license issued under ORS 475C.097.
(2) The commission shall adopt rules to:
(a) Establish eligibility requirements for and a process to issue a laboratory certificate
under this section;
(b) Require a laboratory described in subsection (1) of this section to annually apply for
renewal of a certificate issued under this section;
(c) Establish application, issuance and renewal fees for a certificate under this section;
(d) Require a laboratory described in subsection (1) of this section to use the system de-
developed and maintained under ORS 475C.177 to track cannabinoid hemp commodities or products that a distributor that uses the laboratory imports into this state; and

e) Require a laboratory to be accredited to the same or more stringent standards as a laboratory that holds a license issued under ORS 475C.548.

(3) Fees adopted under subsection (2)(c) of this section:

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

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

SECTION 5. ORS 475C.009 is amended to read:

475C.009. As used in ORS 475C.005 to 475C.525:

(1) “Adult use cannabinoid” includes, but is not limited to, tetrahydrocannabinols, tetrahydrocannabinolic acids that are artificially or naturally derived, delta-8-tetrahydrocannabinol, delta-9-tetrahydrocannabinol, the optical isomers of delta-8-tetrahydrocannabinol or delta-9-tetrahydrocannabinol and any artificially derived cannabinoid that is reasonably determined to have an intoxicating effect.

(2) “Adult use cannabis item” means:

(a) A marijuana item; or

(b) An industrial hemp commodity or product that exceeds:

(A) The concentration of adult use cannabinoids established by the Oregon Liquor and Cannabis Commission, in consultation with the Oregon Health Authority and the State Department of Agriculture, by rule; or

(B) The greater of:

(i) A concentration of more than 0.3 percent total delta-9-tetrahydrocannabinol; or

(ii) The concentration of total delta-9-tetrahydrocannabinol allowed under federal law.

(3)(a) “Artificially derived cannabinoid” means a chemical substance that is created by a chemical reaction that changes the molecular structure of any chemical substance derived from the plant Cannabis family Cannabaceae.

(b) “Artificially derived cannabinoid” does not include:

(A) A naturally occurring chemical substance that is separated from the plant Cannabis family Cannabaceae by a chemical or mechanical extraction process;

(B) Cannabinoids that are produced by decarboxylation from a naturally occurring cannabinoid acid without the use of a chemical catalyst; or

(C) Any other chemical substance identified by the commission, in consultation with the authority and the department, by rule.

(4) “Cannabinoid” means any of the chemical compounds that are the active constituents derived from marijuana.

(5) “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

(d) Any other process identified by the commission, in consultation with the authority, by rule.
(6) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or flowers have been incorporated.

(7) “Cannabinoid extract” means a substance obtained by separating cannabinoids from marijuana by:
(a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane 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 commission, in consultation with the authority, by rule.

(8)(a) “Cannabinoid hemp commodity or product” means industrial hemp concentrates, industrial hemp extracts and any industrial hemp item that contains cannabinoids.
(b) “Cannabinoid hemp commodity or product” does not include:
(A) Industrial hemp processed through retting or other manner of processing so that the industrial hemp is suitable fiber for textiles, rope, paper, hempcrete or other building or fiber materials;
(B) Industrial hemp processed in a manner that renders the industrial hemp seed incapable of germination and suitable for human consumption;
(C) Industrial hemp seed processed into oil; or
(D) Usable hemp.

(9)(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:
(A) Usable marijuana by itself;
(B) A cannabinoid concentrate by itself;
(C) A cannabinoid extract by itself; or
(D) Industrial hemp.

(10) “Consumer” means a person who purchases, acquires, owns, holds or uses marijuana items or cannabinoid hemp commodities or products other than for the purpose of resale.

(11) “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.

(12) “Delta-9-tetrahydrocannabinol” or “delta-9-THC” means (6aR,10aR)-6,6,9-trimethyl-3-pentyl-6a,7,8,10a-tetrahydro-6H-benzo[c]chromen-1-ol.

(13) “Delta-9-tetrahydrocannabinolic acid” or “delta-9-THCA” means (6aR,10aR)-1-hydroxy-6,6,9-trimethyl-3-pentyl-6a,7,8,10a-tetrahydro-6H-benzo[c]chromene-2-carboxylic acid.

(14) “Designated primary caregiver” has the meaning given that term in ORS 475C.777.

(15) “Distributor” means a person located outside of this state that holds a certificate issued under section 3 of this 2023 Act for the purpose of importing usable hemp or cannabinoid hemp commodities or products into this state.

(16)(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 475C.305.

(17)(a) “Hemp retailer” means a person in this state that sells cannabinoid hemp commodities or products to a consumer.
(b) “Hemp retailer” does not include a marijuana retailer that holds a license issued under ORS 475C.097.

[15] (18) “Homegrown” means grown by a person 21 years of age or older for noncommercial purposes.

[16] (19) “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.

[17] (20) “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.

[18] (21) “Immature marijuana plant” means a marijuana plant that is not flowering.

[19] (22) “Industrial hemp” has the meaning given that term in ORS 571.269.

[20] (23) “Licensee” means a person that holds a license issued under ORS 475C.065, 475C.085, 475C.093 or 475C.097.

[21] (24) “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.

[22](a) (25)(a) “Manufacture” means producing, propagating, preparing, compounding, converting or processing a marijuana item, either directly or indirectly, by extracting from substances of natural origin.

(b) “Manufacture” includes any packaging or repackaging of a marijuana item or the labeling or relabeling of a container containing a marijuana item.

[23](a) (26)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and marijuana seeds.

(b) “Marijuana” does not include:

(A) Industrial hemp; 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.

[24] (27) “Marijuana flowers” means the flowers of the plant genus Cannabis within the plant family Cannabaceae.


[26] (29) “Marijuana leaves” means the leaves of the plant genus Cannabis within the plant family Cannabaceae.

[27] (30) “Marijuana processor” means:

(a) A person that processes marijuana items in this state; or

(b) A person that holds a license issued under ORS 475C.085 and processes industrial hemp commodities or products pursuant to ORS 571.336 or cannabinoid hemp commodities or products pursuant to section 2 of this 2023 Act.

[28] (31) “Marijuana producer” means a person that produces marijuana in this state.

[29] (32) “Marijuana retailer” means a person that sells marijuana items to a consumer in this state.

[30](a) (33)(a) “Marijuana seeds” means the seeds of the plant Cannabis family Cannabaceae.

(b) “Marijuana seeds” does not include the seeds of industrial hemp.
[31] (34) “Marijuana wholesaler” means a person that purchases marijuana items in this state for resale to a person other than a consumer.

[32] (35) “Mature marijuana plant” means a marijuana plant that is not an immature marijuana plant.

[33] (36) “Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid extract” means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a concentration of adult use cannabinoids that is permitted under ORS 475C.620 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 475C.783.

[34] (37) “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 475C.777.

[35] (38) “Noncommercial” means not dependent or conditioned upon the provision or receipt of financial consideration.

[36(a)] (39(a)) “Premises” includes the following areas of a location licensed under ORS 475C.005 to 475C.525:

(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.

[37(a)] (40(a)) “Processes” means the processing, compounding or conversion of:

(A) Marijuana into cannabinoid products, cannabinoid concentrates or cannabinoid extracts;

(b) “Processes” does not include packaging or labeling.

[38(a)] (41(a)) “Produces” means the manufacture, planting, cultivation, growing or harvesting of marijuana.

(b) “Produces” does not include:

(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.

[39] (42) “Propagate” means to grow immature marijuana plants or to breed or produce marijuana seeds.

[40] (43) “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.
“Registry identification cardholder” has the meaning given that term in ORS 475C.777.

“Total delta-9-tetrahydrocannabinol” or “total delta-9-THC” means the sum of the concentration or mass of delta-9-THCA multiplied by 0.877 plus the concentration or mass of delta-9-THC.

“Usable hemp” means flowers or leaves of industrial hemp intended for human consumption that:

(a) Are not industrial hemp concentrate or industrial hemp extract, as defined in ORS 571.269; and

(b) Other than pre-rolled usable hemp that contains an unflavored rolling paper and filter or tip, do not contain any added substances.

“Usable marijuana” means the dried leaves and flowers of marijuana.

(a) “Usable marijuana” does not include:

(A) Marijuana seeds;

(B) The stalks and roots of marijuana; or

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

SECTION 6. ORS 475C.017 is amended to read:

475C.017. (1) The Oregon Liquor and Cannabis Commission has the duties, functions and powers specified in ORS 475C.005 to 475C.525 and the powers necessary or proper to enable the commission to carry out the commission’s duties, functions and powers under ORS 475C.005 to 475C.525. The jurisdiction, supervision, duties, functions and powers of the commission extend to any person that produces, processes, transports, delivers, sells or purchases a marijuana item or a cannabinoid hemp commodity or product in this state. The commission may sue and be sued.

(2) The duties, functions and powers of the commission specified in ORS 475C.005 to 475C.525 include the following:

(a) To regulate the production, processing, transportation, delivery, sale and purchase of marijuana items and cannabinoid hemp commodities or products in accordance with the provisions of ORS 475C.005 to 475C.525.

(b) To issue, renew, suspend, revoke or refuse to issue or renew licenses for the production, processing or sale of marijuana items and cannabinoid hemp commodities or products, or other licenses related to the consumption of marijuana items, and to permit, in the commission’s discretion, the transfer of a license between persons.

(c) To adopt, amend or repeal rules as necessary to carry out the intent and provisions of ORS 475C.005 to 475C.525, including rules that the commission considers necessary to protect the public health and safety.

(d) To exercise all powers incidental, convenient or necessary to enable the commission to administer or carry out the provisions of ORS 475C.005 to 475C.525 or any other law of this state that charges the commission with a duty, function or power related to marijuana and cannabinoid hemp commodities or products. Powers described in this paragraph include, but are not limited to:

(A) Issuing subpoenas;

(B) Compelling the attendance of witnesses;

(C) Administering oaths;

(D) Certifying official acts;

(E) Taking depositions as provided by law;

(F) Compelling the production of books, payrolls, accounts, papers, records, documents and testimony; and
(G) Establishing fees in addition to the application, licensing and renewal fees described in ORS 475C.065, 475C.085, 475C.093 and 475C.097, provided that any fee established by the commission is reasonably calculated not to exceed the cost of the activity for which the fee is charged.

(e) To adopt rules regulating and prohibiting advertising marijuana items and cannabinoid hemp commodities or products in a manner:
   (A) That is appealing to minors;
   (B) That promotes excessive use;
   (C) That promotes illegal activity; or
   (D) That otherwise presents a significant risk to public health and safety.

(f) To regulate the use of marijuana items for other purposes as deemed necessary or appropriate by the commission.

(g) To establish pilot programs, of not more than three years in duration, to expand access to marijuana for medical use for registry identification cardholders and designated primary caregivers, as defined in ORS 475C.777.

(h) To regulate the processing, transportation, delivery, sale and purchase of artificially derived cannabinoids in accordance with the provisions of ORS 475C.005 to 475C.525.

(i) To regulate the tracking, testing [and], labeling and packaging of [inhalant delivery systems, as defined in ORS 431A.175, that include industrial hemp-derived vapor items, as defined in ORS 475C.540,) cannabinoid hemp commodities or products that are sold in this state by any person.

(3) Fees collected pursuant to subsection (2)(d)(G) of this section shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475C.297.

SECTION 7. ORS 475C.021 is amended to read:
475C.021. Subject to any applicable provision of ORS chapter 183, the Oregon Liquor and Cannabis Commission may purchase, possess, seize, transfer to a licensee or dispose of marijuana items and cannabinoid hemp commodities or products as is necessary for the commission to ensure compliance with and enforce the provisions of ORS 475C.005 to 475C.525 and any rule adopted under ORS 475C.005 to 475C.525.

SECTION 8. ORS 475C.025 is amended to read:
475C.025. The Oregon Liquor and Cannabis Commission may, by rule or order, provide for the manner and conditions under which:

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

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

(3) A secured party, as defined in ORS 79.0102, may continue to operate at a premises for which a license has been issued under ORS 475C.005 to 475C.525 for a reasonable period after default on the indebtedness by the debtor.

SECTION 9. ORS 475C.037 is amended to read:
475C.037. (1) The Oregon Liquor and Cannabis Commission may not license an applicant under the provisions of ORS 475C.005 to 475C.525 or 475C.548 if the applicant is under 21 years of age.

(2) The commission may refuse to issue a license or may issue a restricted license to an applicant under the provisions of ORS 475C.005 to 475C.525 if the commission makes a finding that the applicant:

(a) Is in the habit of using alcoholic beverages, habit-forming drugs, marijuana or controlled
substances to excess.
(b) Has made false statements to the commission.
(c) Is incompetent or physically unable to carry on the management of the establishment proposed to be licensed.
(d) Has been convicted of violating a federal law, state law or local ordinance if the conviction is substantially related to the fitness and ability of the applicant to lawfully carry out activities under the license.
(e) Is not of good repute and moral character.
(f) Does not have a good record of compliance with ORS 475C.005 to 475C.525 or any rule adopted under ORS 475C.005 to 475C.525.
(g) Is not the legitimate owner of the premises proposed to be licensed, or has not disclosed that other persons have ownership interests in the premises proposed to be licensed.
(h) Has not demonstrated financial responsibility sufficient to adequately meet the requirements of the premises proposed to be licensed.
(i) Is unable to understand the laws of this state relating to marijuana items and cannabinoid hemp commodities or products or the rules adopted under ORS 475C.005 to 475C.525.
(3) Notwithstanding subsection (2)(d) of this section, in determining whether to issue a license or a restricted license to an applicant, the commission may not consider the prior conviction of the applicant or any owner, director, officer, manager, employee, agent or other representative of the applicant for:
(a) The manufacture of marijuana, if:
(A) The date of the conviction is two or more years before the date of the application; and
(B) The person has not been convicted more than once for the manufacture or delivery of marijuana;
(b) The delivery of marijuana to a person 21 years of age or older, if:
(A) The date of the conviction is two or more years before the date of the application; and
(B) The person has not been convicted more than once for the manufacture or delivery of marijuana; or
(c) The possession of marijuana.
SECTION 10. ORS 475C.057 is amended to read:
475C.057. Licensees and licensee representatives may produce, deliver and possess marijuana items and cannabinoid hemp commodities or products subject to the provisions of ORS 475C.005 to 475C.525 and rules adopted under ORS 475C.005 to 475C.525. The production, delivery or possession of marijuana items or cannabinoid hemp commodities or products by a licensee or a licensee representative in compliance with ORS 475C.005 to 475C.525 and rules adopted under ORS 475C.005 to 475C.525 does not constitute a criminal or civil offense under the laws of this state.
SECTION 11. ORS 475C.085 is amended to read:
475C.085. (1) The processing of marijuana items and cannabinoid hemp commodities or products is subject to regulation by the Oregon Liquor and Cannabis Commission.
(2) A marijuana processor must have a processor license issued by the commission for the premises at which marijuana items or cannabinoid hemp commodities or products are processed.
To hold a processor license under this section, a marijuana processor:
(a) Must apply for a license in the manner described in ORS 475C.033;
(b) Must provide proof that the applicant is 21 years of age or older;
(c) If the marijuana processor processes marijuana extracts or industrial hemp extracts, as de-
fined in ORS 571.269, may not be located in an area zoned exclusively for residential use; and

d) Must meet the requirements of any rule adopted by the commission under subsection (3) of
this section.

(3) The commission shall adopt rules that:

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

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

(c) Require marijuana processed by a marijuana processor to be tested in accordance with ORS
475C.544;

(d) (A) Require cannabinoid hemp commodities or products to be tested in accordance with
ORS 475C.544; and

(B) Require industrial hemp commodities and products that are not intended for human
consumption, processed by a marijuana processor, to meet any requirements for industrial hemp
commodities or products not intended for human consumption established under ORS 571.260 to
571.348 or rules adopted under ORS 571.260 to 571.348;

(e) Allow a marijuana processor registered under ORS 475C.141 to process marijuana and usable
marijuana into medical grade cannabinoid products, cannabinoid concentrates and cannabinoid ex-
tracts in the same manner that rules adopted under ORS 475C.005 to 475C.525 allow a marijuana
processor to process marijuana and usable marijuana into general use cannabinoid products,
cannabinoid concentrates and cannabinoid extracts, [excepting those circumstances where] except
when differentiating between the processing of medical grade cannabinoid products, cannabinoid
concentrates and cannabinoid extracts and the processing of general use cannabinoid products,
cannabinoid concentrates and cannabinoid extracts is necessary to protect the public health and
safety; and

(f) Require a marijuana processor to meet any public health and safety standards and industry
best practices established by the commission by rule related to:

(A) Cannabinoid edibles;

(B) Cannabinoid concentrates;

(C) Cannabinoid extracts; [and]

(D) Cannabinoid hemp commodities or products; and

[(D)] (E) Any other type of cannabinoid product or industrial hemp commodity or product iden-
tified by the commission by rule.

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

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

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

SECTION 12. ORS 475C.117 is amended to read:

ORS 475C.117. (1) A marijuana retailer that holds a license issued under ORS 475C.097 may make
deliveries to a consumer pursuant to the consumer’s bona fide order received by the marijuana
retailer. The delivery of marijuana items and cannabinoid hemp commodities or products under
this section may be made to a consumer:

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

(b) In a city or the unincorporated area of a county that is adjacent to the city or
unincorporated area of the county in which the marijuana retailer is located, provided the adjacent
city or county has adopted an ordinance allowing for the delivery of marijuana items and cannabinoid hemp commodities or products by a marijuana retailer located in an adjacent city or unincorporated area of a county.

(2) A marijuana retailer that makes deliveries under this section shall:
   (a) Ensure that deliveries are made in an efficient and timely manner.
   (b) Upon request, provide to the Oregon Liquor and Cannabis Commission information on each vehicle used to make deliveries of marijuana items and cannabinoid hemp commodities or products under this section, including the make, model, year, color, vehicle identification number and registration plate number.
   (c) Maintain an electronic or physical record of each bona fide order for the delivery of marijuana items and cannabinoid hemp commodities or products that the marijuana retailer fulfills.
   (d) Report to the commission, and as necessary to the appropriate law enforcement agency, any accidents or losses involving a delivery vehicle.

(3) An individual who makes deliveries on behalf of a marijuana retailer under this section:
   (a) Shall:
      (A) Hold a permit issued under ORS 475C.273 and carry the permit while making deliveries under this section.
      (B) Have a method of secure electronic communication in order to communicate with the marijuana retailer for which the individual is making deliveries.
      (C) Maintain an electronic or physical record of a bona fide order for a delivery of a marijuana item or cannabinoid hemp commodity or product.
      (D) Present to the consumer a printed or electronic delivery manifest and obtain on the manifest the consumer's written or electronic signature verifying completion of the delivery of marijuana items or cannabinoid hemp commodities or products.
      (E) Except in the case of an emergency or unsafe road conditions or as necessary for fuel, rest or vehicle repair, travel only between the premises of the marijuana retailer and the locations at which the deliveries of marijuana items or cannabinoid hemp commodities or products are made.
   (b) May not:
      (A) Leave a delivery vehicle that contains marijuana items or cannabinoid hemp commodities or products unattended unless the delivery vehicle is locked and equipped with an active vehicle alarm system.
      (B) Carry in a delivery vehicle at any one time a quantity of marijuana items or cannabinoid hemp commodities or products that combined are worth more than $10,000 [worth of marijuana items in a delivery vehicle at any one time].
   (C) Consume, or be under the influence of, marijuana while making deliveries under this section.
   (4) A delivery vehicle must:
      (a) While being used for making deliveries, be equipped with an active global positioning system device that tracks the location of the delivery vehicle and enables the marijuana retailer for which the deliveries are being made to identify the location of the delivery vehicle.
      (b) Be equipped with a lockable container in a secured cargo area of the delivery vehicle that is of a size appropriate to contain the marijuana items or cannabinoid hemp commodities or products being delivered.
      (c) Be free of any markings that may indicate that the delivery vehicle is used for the purpose of delivering marijuana items or cannabinoid hemp commodities or products.
(5) A delivery of marijuana items or cannabinoid hemp commodities or products may not be made to a consumer who is located on land owned or leased by the federal government.

(6) The commission may adopt rules to carry out the purposes of this section.

SECTION 13. ORS 475C.177 is amended to read:

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

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

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

(b) Preventing persons from substituting or tampering with marijuana items and cannabinoid hemp commodities or products;

(c) Ensuring an accurate accounting of the production, processing and sale of marijuana items and cannabinoid hemp commodities or products;

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

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

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

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

(b) The processing of marijuana by a marijuana processor and the processing of cannabinoid hemp commodities or products by a marijuana processor;

(c) The receiving, storing and delivering of marijuana items and cannabinoid hemp commodities or products by a marijuana wholesaler;

(d) The sale of marijuana items and cannabinoid hemp commodities or products by a marijuana retailer to a consumer;

(e) The sale and purchase of marijuana items and cannabinoid hemp commodities or products between licensees, as permitted by ORS 475C.005 to 475C.525;

(f) The transfer of marijuana items and cannabinoid hemp commodities or products between premises for which licenses have been issued under ORS 475C.005 to 475C.525; and

(g) Any other information that the commission determines is reasonably necessary to accomplish the duties, functions and powers of the commission under ORS 475C.005 to 475C.525, including information related to cannabinoid hemp commodities or products.

SECTION 14. ORS 475C.185 is amended to read:

475C.185. (1) The Legislative Assembly finds and declares that the unregulated commerce of marijuana items or cannabinoid hemp commodities or products constitutes a serious danger to public health and safety.

(a) A person may not produce, process, transport, deliver or sell a marijuana item unless the person holds a valid license issued under ORS 475C.005 to 475C.525 or a registration issued under ORS 475C.770 to 475C.919 or is exempted under ORS 475C.305.

(b) A person may not process cannabinoid hemp commodities or products unless the person holds a valid license issued under ORS 475C.085.
(b) (c) A licensee is engaged in the unregulated commerce of marijuana items or cannabinoid hemp commodities or products if the licensee allows a person who does not hold a license issued under ORS 475C.005 to 475C.525 or 475C.548 to engage in an activity that requires a license issued under ORS 475C.005 to 475C.525 or 475C.548.

(3) In addition to any other disciplinary action available to the Oregon Liquor and Cannabis Commission under ORS 475C.005 to 475C.525 or 475C.540 to 475C.586, the commission may immediately:

(a) Restrict, suspend or refuse to renew a license issued under ORS 475C.005 to 475C.525 or 475C.548 if circumstances create probable cause for the commission to conclude that a licensee has:

(A) Purchased or received a marijuana item from an unlicensed source; or

(B) Sold, stored or transferred a marijuana item in a manner that is not permitted by the licensee's license; or

(C) Processed cannabinoid hemp commodities or products without a valid license issued under ORS 475C.085;

(b) Restrict, suspend or refuse to renew a license issued under ORS 475C.005 to 475C.525 or 475C.548 if circumstances create probable cause for the commission to believe that a person who does not hold a license issued under ORS 475C.005 to 475C.525 or 475C.548 for the licensed premises engaged, or is engaging, in an activity that requires a license under ORS 475C.005 to 475C.525 or 475C.548; or

(c) Seize marijuana items or cannabinoid hemp commodities or products from a licensee if circumstances create probable cause for the commission to conclude that the licensee has:

(A) Engaged, or is engaging, in the unlawful diversion of marijuana items; or

(B) Allowed, or is allowing, a person who does not hold a license issued under ORS 475C.005 to 475C.525 or 475C.548 to engage in an activity that requires a license issued under ORS 475C.005 to 475C.525 or 475C.548 at the premises for which a license is issued.

SECTION 15. ORS 475C.209 is amended to read:

475C.209. (1) In order to transport marijuana items or cannabinoid hemp commodities or products, a licensee must create a manifest that contains the following information:

(a) The name of the driver of the transport vehicle;

(b) Identifying information for the driver's permit issued under ORS 475C.273;

(c) The license plate number, make and model of the transport vehicle;

(d) The name of the licensee from which the marijuana or, marijuana items or cannabinoid hemp commodities or products are being transported;

(e) A detailed inventory of the marijuana and, marijuana items and cannabinoid hemp commodities or products being transported;

(f) The location of any overnight stop during transportation, and the estimated time of the overnight stop; and

(g) The destination of the marijuana and, marijuana items and cannabinoid hemp commodities or products being transported.

(2) Except as provided in subsection (1)(f) of this section, a manifest created under this section is not required to include transport route information.

(3) The transport driver shall carry in the transport vehicle a copy of the manifest.

SECTION 16. ORS 475C.233 is amended to read:

475C.233. (1) A licensee may not use or allow the use of a mark or label on the container of a marijuana item or a cannabinoid hemp commodity or product that is kept for sale if the mark
or label does not precisely and clearly indicate the nature of the container's contents or if the mark
or label in any way might deceive a customer about the nature, composition, quantity, age or quality
of the container's contents.

(2) The Oregon Liquor and Cannabis Commission may prohibit a licensee from selling any brand
of marijuana item or cannabinoid hemp commodity or product that in the commission's judgment
is deceptively branded or labeled or contains injurious or adulterated ingredients.

SECTION 17. ORS 475C.237 is amended to read:
475C.237. (1) A marijuana item or a cannabinoid hemp commodity or product may not be sold
or offered for sale within this state unless the marijuana item or the cannabinoid hemp com-
modity or product complies with the minimum standards prescribed by the statutory laws of this
state.

(2) The Oregon Liquor and Cannabis Commission may prohibit the sale of a marijuana item or
a cannabinoid hemp commodity or product by a marijuana retailer or other person for a rea-
sonable period of time for the purpose of determining whether the marijuana item or the
cannabinoid hemp commodity or product complies with the minimum standards prescribed by the
statutory laws of this state.

SECTION 18. ORS 475C.265 is amended to read:
475C.265. (1) Subject to subsection (3) of this section, the Oregon Liquor and Cannabis Com-
mission may revoke, suspend or restrict a license issued under ORS 475C.005 to 475C.525 or require
a licensee or licensee representative to undergo training if the commission finds or has reasonable
ground to believe that the licensee or licensee representative:

(a) Has violated a provision of ORS 475C.005 to 475C.525 or a rule adopted under ORS 475C.005
to 475C.525.

(b) Has diverted marijuana to the interstate market or an illicit market or has diverted re-
sources to a criminal enterprise.

(c) Has introduced into the marijuana industry regulated under ORS 475C.005 to 475C.525
cannabinoids or marijuana not produced or processed by a licensee and not tracked in the system
developed and maintained under ORS 475C.177.

(d) Has made any false representation or statement to the commission regarding compliance
with a provision of ORS 475C.005 to 475C.525 or a rule adopted under ORS 475C.005 to 475C.525 in
order to induce or prevent action by the commission.

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

(f) Has misrepresented to a customer or the public any marijuana items or cannabinoid hemp
commodities or products sold by the licensee or licensee representative.

(g) Since the issuance of the license, has been convicted of a felony, of violating any of the
marijuana laws of this state, general or local, or of any misdemeanor or violation of any municipal
ordinance committed on the premises for which the license has been issued.

(h) Has sold a marijuana item to a person under 21 years of age.

(2) In addition to the grounds listed in subsection (1) of this section, the commission may take
an action described in subsection (1) of this section if there is a history of a lack of institutional
control involving the premises for which a license has been issued under ORS 475C.005 to 475C.525.

(3)(a) The commission may revoke a license under subsection (1)(a) of this section only when the
conduct poses a significant risk to public health or safety.

(b) The commission shall consider as mitigating factors to the conduct described in subsection
(1) of this section the following:

(A) Self-reporting by a licensee or applicant;

(B) A demonstration that, to the satisfaction of the commission, the conduct of the licensee or applicant is not persistent or serious; and

(C) A demonstration that, to the satisfaction of the commission, the licensee’s willingness and ability to adequately control the premises for which a license has been issued under ORS 475C.005 to 475C.525 and any inventory stored at the premises.

(4) The commission may suspend or restrict a license issued under ORS 475C.005 to 475C.525 or require a licensee or licensee representative to undergo training if the commission finds or has reasonable grounds to believe that the licensee or licensee representative has violated a provision of ORS 475C.005 to 475C.525 or a rule adopted under ORS 475C.005 to 475C.525.

(5) The commission may suspend or revoke a permit issued under ORS 475C.273 to an individual rather than suspend or revoke a license issued under ORS 475C.005 to 475C.525 if the commission determines that permit suspension or revocation is more appropriate.

(6)(a) The commission may revoke a marijuana retailer license issued under ORS 475C.097 if the licensee fails to:

(A) Pay the tax as required under ORS 475C.682 twice in any four consecutive quarters and the Department of Revenue has issued to the licensee a distraint warrant under ORS 475C.688 for the nonpayment of tax; or

(B) File a return as required under ORS 475C.682 twice in any four consecutive quarters and the department has issued to the licensee a notice of determination and assessment under ORS 475C.688 for failure to file a return.

(b) The department’s written notice to the commission that a licensee described under this subsection has failed to pay a tax or file a return twice in any four consecutive quarters, and that the department has issued a distraint warrant or notice of determination and assessment, shall constitute prima facie evidence of the licensee’s failure to pay the tax or file a return.

SECTION 19. ORS 475C.269, as amended by section 4, chapter 117, Oregon Laws 2022, is amended to read:

475C.269. (1) An individual who performs work for or on behalf of a licensee or a laboratory licensed under ORS 475C.548 must have a valid permit issued by the Oregon Liquor and Cannabis Commission under ORS 475C.273 if the individual participates in:

(a) The delivery, possession, production, propagation, processing, sampling, securing, selling or testing of marijuana items or cannabinoid hemp commodities or products at the premises or laboratory for which the license has been issued;

(b) The recording of the delivery, possession, production, propagation, processing, sampling, securing, selling or testing of marijuana items or cannabinoid hemp commodities or products at the premises or laboratory for which the license has been issued; or

(c) The verification of any document described in ORS 475C.217.

(2) A licensee or a laboratory licensed under ORS 475C.548 must verify that an individual has a valid permit issued under ORS 475C.273 before allowing the individual to perform, or continue to perform, any work described in subsection (1) of this section at the premises or laboratory for which the license has been issued.

SECTION 20. ORS 475C.273 is amended to read:

475C.273. (1) The Oregon Liquor and Cannabis Commission shall issue permits to qualified applicants to perform work described in ORS 475C.269. The commission shall adopt rules establishing:
(a) The qualifications for performing work described in ORS 475C.269;
(b) The term of a permit issued under this section;
(c) Procedures for applying for and renewing a permit issued under this section; and
(d) Reasonable application, issuance and renewal fees for a permit issued under this section.

(2) (a) The commission may require an individual applying for a permit under this section to successfully complete a course, made available by or through the commission, through which the individual receives training on:
   (A) Checking identification;
   (B) Detecting intoxication;
   (C) Handling marijuana items or cannabinoid hemp commodities or products;
   (D) If applicable, producing and propagating marijuana;
   (E) If applicable, processing marijuana or processing cannabinoid hemp commodities or products;
   (F) The content of ORS 475C.005 to 475C.525 and rules adopted under ORS 475C.005 to 475C.525;
   or
   (G) Any matter deemed necessary by the commission to protect the public health and safety.
   (b) The commission or other provider of a course may charge a reasonable fee for the course.
   (c) The commission may not require an individual to successfully complete a course more than once, except that:
      (A) As part of a final order suspending a permit issued under this section, the commission may require a permit holder to successfully complete the course as a condition of lifting the suspension; and
      (B) As part of a final order revoking a permit issued under this section, the commission shall require an individual to successfully complete the course prior to applying for a new permit.
   (3) The commission shall conduct a criminal records check under ORS 181A.195 on an individual applying for a permit under this section.
   (4) Subject to the applicable provisions of ORS chapter 183, the commission may suspend, revoke or refuse to issue or renew a permit if the individual who is applying for or who holds the permit:
      (a) Is convicted of a felony or is convicted of an offense under ORS 475C.005 to 475C.525, except that the commission may not consider a conviction for an offense under ORS 475C.005 to 475C.525 if the date of the conviction is two or more years before the date of the application or renewal;
      (b) Violates any provision of ORS 475C.005 to 475C.525 or any rule adopted under ORS 475C.005 to 475C.525; or
      (c) Makes a false statement to the commission.
   (5) A permit issued under this section is a personal privilege and permits work described under ORS 475C.269 only for the individual who holds the permit.

SECTION 21. ORS 475C.301 is amended to read:
ORS 475C.301. (1) In addition to the duties, functions and powers described in ORS 471.775, and subject to subsection (2) of this section, a regulatory specialist, as defined in ORS 471.001, has the authority as provided in ORS 133.005 to 133.400, 133.450, 133.525 to 133.703, 133.721 to 133.739, 161.233, 161.245, 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648, and chapter 743, Oregon Laws 1971, to conduct inspections and investigations, make seizures, aid in prosecutions of and issue citations to licensees and persons who hold a certificate or permit under ORS 475C.005 to 475C.525 for violations of and offenses related to, and otherwise enforce, ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648, any rule adopted under ORS 475C.005 to
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475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648 and any other law of this state that charges
the Oregon Liquor and Cannabis Commission with a duty, function or power related to a marijuana
item or a cannabinoid hemp commodity or product, including enforcing any law or rule related
to individuals who use false identification for purposes of purchasing or possessing a marijuana item
or a cannabinoid hemp commodity or product, the purchase of which requires displaying
identification, or who engage in illegal activity on or near a premises.

(2) A regulatory specialist may not:
(a) Be sworn in as a federal law enforcement official and act in that capacity while performing
an activity authorized by this section.
(b) Carry a firearm.
(c) Conduct inspections and investigations of a primary residence.
(d) For purposes of ensuring compliance with ORS 475C.770 to 475C.919, conduct inspections and
investigations of registry identification cardholders or designated primary caregivers, the residences
of registry identification cardholders or designated primary caregivers, or the locations where reg-
istry identification cardholders or designated primary caregivers produce marijuana.

SECTION 22. ORS 475C.409, as amended by section 7, chapter 108, Oregon Laws 2022, is
amended to read:

475C.409. If the owner of a building or premises knowingly has used the building or premises for,
or allowed the building or premises to be occupied for, the production, processing, sale or use of
marijuana items or the processing of cannabinoid hemp commodities or products contrary to
the provisions of ORS 475C.005 to 475C.525, 475C.540 to 475C.586, 475C.600 to 475C.648 or 475C.770
to 475C.919, or contrary to the provisions of any other state law or local ordinance regulating the
production, processing, sale or use of marijuana items or the processing of cannabinoid hemp
commodities or products, the building or premises is subject to a lien for, and may be sold to pay
all fines and costs, including but not limited to any costs of cleanup and removal of marijuana or
cannabinoid hemp commodities or products, assessed against the occupants of the building or
premises for, any violation of ORS 475C.005 to 475C.525, 475C.540 to 475C.586, 475C.600 to 475C.648
or 475C.770 to 475C.919, or any other state law or local ordinance regulating the production, pro-
cessing, sale or use of marijuana items or the processing of cannabinoid hemp commodities or
products. The lien may be enforced immediately by civil action in a court that has jurisdiction over
the area in which the building or premises is located, by the district attorney of the county in which
the building or premises is located.

SECTION 23. ORS 475C.449 is amended to read:

475C.449. (1) For purposes of this section, “reasonable regulations” includes:
(a) Reasonable conditions on the manner in which a marijuana producer that holds a license
issued under ORS 475C.065 may produce marijuana or in which a researcher of cannabis that holds
a certificate issued under ORS 475C.289 may produce marijuana or propagate immature marijuana
plants;
(b) Reasonable conditions on the manner in which a marijuana processor that holds a license
issued under ORS 475C.085 may process marijuana or cannabinoid hemp commodities or pro-
ducts, or in which a researcher of cannabis that holds a certificate issued under ORS 475C.289 may
process marijuana;
(c) Reasonable conditions on the manner in which a marijuana wholesaler that holds a license
issued under ORS 475C.093 may sell marijuana at wholesale;
(d) Reasonable conditions on the manner in which a marijuana retailer that holds a license is-
sued under ORS 475C.097 may sell marijuana items;

(e) Reasonable limitations on the hours during which a premises for which a license has been issued under ORS 475C.005 to 475C.525 may operate;

(f) Reasonable requirements related to the public’s access to a premises for which a license or certificate has been issued under ORS 475C.005 to 475C.525; and

(g) Reasonable limitations on where a premises for which a license or certificate may be issued under ORS 475C.005 to 475C.525 may be located.

(2) Notwithstanding ORS 30.935, 215.253 (1) or 633.738, the governing body of a city or county may adopt ordinances that impose reasonable regulations on the operation of businesses located at premises for which a license or certificate has been issued under ORS 475C.005 to 475C.525 if the premises are located in the area subject to the jurisdiction of the city or county, except that the governing body of a city or county may not:

(a) Adopt an ordinance that prohibits a premises for which a license has been issued under ORS 475C.097 from being located within a distance that is greater than 1,000 feet of another premises for which a license has been issued under ORS 475C.097.

(b) Adopt an ordinance that imposes a setback requirement for an agricultural building used to produce marijuana located on a premises for which a license has been issued under ORS 475C.065 if the agricultural building:

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

(B) Is located at an address where a marijuana grow site first registered with the Oregon Health Authority under ORS 475C.792 on or before January 1, 2015;

(C) Was used to produce marijuana pursuant to the provisions of ORS 475C.770 to 475C.919 on or before January 1, 2015; and

(D) Has four opaque walls and a roof.

SECTION 24. ORS 475C.469 is amended to read:

475C.469. The State Department of Agriculture may possess, test and dispose of marijuana items and cannabinoid hemp commodities or products.

SECTION 25. ORS 475C.481 is amended to read:

475C.481. Subject to any applicable provision of ORS chapter 131A or 183, any state officer, board, commission, corporation, institution, department or other state body, and any local officer, board, commission, institution, department or other local government body, that is authorized by the statutory laws of this state to perform a duty, function or power with respect to a marijuana item or a cannabinoid hemp commodity or product, may purchase, possess, seize or dispose of the marijuana item or the cannabinoid hemp commodity or product as the state officer, board, commission, corporation, institution, department or other state body, or the local officer, board, commission, institution, department or other local government body, considers necessary to ensure compliance with and enforce the applicable statutory law or any rule adopted under the applicable statutory law.

SECTION 26. ORS 475C.501 is amended to read:

475C.501. Any room, house, building, boat, structure or place of any kind where marijuana items are sold, manufactured, bartered or given away or where cannabinoid hemp commodities or products are processed in violation of the laws of this state, or where persons are permitted to resort for the purpose of using marijuana items in violation of the laws of this state, or any place where marijuana items are kept for sale, barter or gift in violation of the laws of this state, and all
marijuana items or property subject to confiscation under ORS 475C.417 kept and used in such a
place, are a common nuisance. A person who maintains or assists in maintaining the common nuis-
ance or knowingly suffers or permits the nuisance to exist in any place of which the person is the
owner, manager or lessor, is guilty of a violation of ORS 475C.005 to 475C.525.

SECTION 27. ORS 475C.513 is amended to read:

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

(a) The marijuana items or cannabinoid hemp commodities or products are tracked using the
system developed and maintained under ORS 475C.177;
(b) All of the marijuana items or cannabinoid hemp commodities or products are returned
to a premises for which a license has been issued under ORS 475C.005 to 475C.525 immediately after
the conclusion of the event; and
(c) The licensee complies with any other requirement imposed by the Oregon Liquor and
Cannabis Commission by rule or order for the purpose of ensuring the security of the marijuana
items and the cannabinoid hemp commodities or products, for the purpose of preventing minors
from having access to the marijuana items or the cannabinoid hemp commodities or products,
or for any other purpose deemed relevant by the commission.

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

SECTION 28. ORS 475C.540 is amended to read:

475C.540. As used in ORS 475C.540 to 475C.586:

(1) “Adult use cannabinoid” includes, but is not limited to, tetrahydrocannabinols,
tetrahydrocannabinolic acids that are artificially or naturally derived, delta-8-tetrahydrocannabinol,
delta-9- tetrahydrocannabinol, the optical isomers of delta-8-tetrahydrocannabinol or
delta-9-tetrahydrocannabinol and any artificially derived cannabinoid that is reasonably determined
to have an intoxicating effect.

(2) “Artificially derived cannabinoid” has the meaning given that term in ORS 475C.009.

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

(4) “Cannabinoid concentrate or extract” means a substance obtained by separating
cannabinoids from marijuana by a mechanical, chemical or other process.

(5) “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.

(6)(a) “Cannabinoid hemp commodity or product” means industrial hemp concentrates,
industrial hemp extracts and any other industrial hemp item that contains cannabinoids and
is intended for human ingestion, inhalation or other manner of application to or use in or
on the human body.

(b) “Cannabinoid hemp commodity or product” does not include:

(A) Industrial hemp processed through retting or other manner of processing so that the
industrial hemp is suitable fiber for textiles, rope, paper, hempcrete or other building or fiber
materials;
(B) Industrial hemp processed in a manner that renders the industrial hemp seed incapable of germination and suitable for human consumption;
(C) Industrial hemp seed processed into oil; or
(D) Flowers or leaves of industrial hemp intended for human consumption that:
   (i) Are not industrial hemp concentrate or industrial hemp extract, as defined in ORS 571.269; and
   (ii) Other than pre-rolled usable hemp that contains an unflavored rolling paper and filter or tip, do not contain any added substances.

[(6)(a) (7)(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
   (C) Industrial hemp.
[(7) (8) “Industrial hemp” has the meaning given that term in ORS 571.269.
[(8) “Industrial hemp-derived vapor item” means an industrial hemp concentrate or industrial hemp extract, as those terms are defined in ORS 571.269, whether alone or combined with other substances, that is intended for use in an inhalant delivery system.]
[(9) “Inhalant delivery system” has the meaning given that term in ORS 431A.175.]
[(10)(a) (9)(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; 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.
[(11) (10) “Marijuana item” means marijuana, usable marijuana, a cannabinoid product or a cannabinoid concentrate or extract.
[(12) (11) “Processing” means:
   (a) The compounding or conversion of marijuana into cannabinoid products or cannabinoid concentrates or extracts.
   (b) The compounding or conversion of industrial hemp or industrial hemp commodities or products into industrial hemp concentrates or industrial hemp extracts, or cannabinoid hemp commodities or products.
[(13) (12) “Producing” means:
   (a) Planting, cultivating, growing, trimming or harvesting marijuana; or
   (b) Drying marijuana leaves and flowers.
[(14)(a) (13)(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
      (B) Waste material that is a by-product of producing or processing marijuana.
SECTION 29. ORS 475C.544 is amended to read:
475C.544. (1) As is necessary to protect the public health and safety, and in consultation with the Oregon Liquor and Cannabis Commission and the State Department of Agriculture, the Oregon
Health Authority shall adopt rules:

(a) Establishing standards for testing marijuana items and [industrial hemp-derived vapor items] cannabinoid hemp commodities or products.

(b) [Identifying appropriate tests] For marijuana items and [industrial hemp-derived vapor items] cannabinoid hemp commodities or products, depending on the type of marijuana item or [industrial hemp-derived vapor item] cannabinoid hemp commodity or product, and the manner in which the marijuana item [or industrial hemp-derived vapor item] was produced or processed, or the cannabinoid hemp commodity or product was processed, identifying appropriate tests that are necessary to protect the public health and safety, including, but not limited to, tests for:

(A) Microbiological contaminants;

(B) Pesticides;

(C) Other contaminants;

(D) Solvents or residual solvents; and

(E) Adult use cannabinoid and cannabidiol concentration.

(c) Establishing procedures for determining batch sizes and for sampling usable marijuana, cannabinoid products, cannabinoid concentrates or extracts and [industrial hemp-derived vapor items] cannabinoid hemp commodities or products.

(d) Establishing different minimum standards for different varieties of usable marijuana and different types of cannabinoid products and cannabinoid concentrates and extracts and, as appropriate, [industrial hemp-derived vapor items] cannabinoid hemp commodities or products.

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

(3) In adopting rules under ORS 475C.770 to 475C.919, the authority may require:

(a) A person responsible for a marijuana grow site under ORS 475C.792 to test usable marijuana before transferring the usable marijuana to a registrant other than an individual who holds a registry identification card under ORS 475C.783; and

(b) A person processing marijuana to test cannabinoid products or cannabinoid concentrates or extracts before transferring the cannabinoid products or cannabinoid concentrates or extracts to a registrant other than an individual who holds a registry identification card under ORS 475C.783.

(4) In adopting rules under ORS 475C.005 to 475C.525, the commission may require:

(a) A marijuana producer that holds a license under ORS 475C.065 or a marijuana wholesaler that holds a license under ORS 475C.093 to test usable marijuana before selling or transferring the usable marijuana; and

(b) A marijuana processor that holds a license under ORS 475C.085 or a marijuana wholesaler that holds a license under ORS 475C.093 to test cannabinoid products or cannabinoid concentrates or extracts before selling or transferring the cannabinoid products or cannabinoid concentrates or extracts.

(5) The authority and the commission may conduct random testing of marijuana items or [industrial hemp-derived vapor items] cannabinoid hemp commodities or products for the purpose of determining whether a person subject to testing under subsection (3) of this section or a licensee subject to testing under subsection (4) of this section is in compliance with this section.

(6) In adopting rules to implement this section, the authority and commission may not require a marijuana item or [industrial hemp-derived vapor item] a cannabinoid hemp commodity or...
product to undergo the same test more than once unless the marijuana item or \textit{[industrial hemp-derived vapor item]} the cannabinoide hemp commodity or product is processed into a different type of marijuana item or \textit{[industrial hemp-derived vapor item]} cannabinoide hemp commodity or product, or the condition of the marijuana item or \textit{[industrial hemp-derived vapor item]} the cannabinoide hemp commodity or product has fundamentally changed.

(7) The testing of marijuana items and \textit{[industrial hemp-derived vapor items]} cannabinoide hemp commodities or products as required by this section must be conducted by a laboratory licensed by the commission under ORS 475C.548 and accredited by the authority under ORS 475C.560.

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

(a) Shall consider the cost of a potential testing procedure and how that cost will affect the cost to the ultimate consumer of the marijuana item or \textit{[industrial hemp-derived vapor item]} the cannabinoide hemp commodity or product; and

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

\textbf{SECTION 30.} ORS 475C.548 is amended to read:

475C.548. (1) A laboratory that conducts testing of marijuana items or \textit{[industrial hemp-derived vapor items]} cannabinoide hemp commodities or products as required by ORS 475C.544 must have a license to operate at the premises at which the marijuana items or \textit{[industrial hemp-derived vapor items]} the cannabinoide hemp commodities or products are tested.

(2) For purposes of this section, the Oregon Liquor and Cannabis Commission shall adopt rules establishing:

(a) Qualifications to be licensed under this section, including that an applicant for licensure under this section must be accredited by the Oregon Health Authority as described in ORS 475C.560;

(b) Processes for applying for and renewing a license under this section;

(c) Fees for applying for, receiving and renewing a license under this section; and

(d) Procedures for:

(A) Tracking usable marijuana, cannabinoid products, cannabinoid concentrates or extracts or \textit{[industrial hemp-derived vapor items to be tested]} cannabinoide hemp commodities or products;

(B) Documenting and reporting test results; and

(C) Disposing of samples of usable marijuana, cannabinoid products, cannabinoid concentrates or extracts or \textit{[industrial hemp-derived vapor items]} cannabinoide hemp commodities or products that have been tested.

(3) A license issued under this section must be renewed annually.

(4) The commission may inspect premises licensed under this section to ensure compliance with ORS 475C.540 to 475C.586 and rules adopted under ORS 475C.540 to 475C.586.

(5) Subject to the applicable provisions of ORS chapter 183, the commission may refuse to issue or renew, or may suspend or revoke, a license issued under this section for violation of:

(a) A provision of ORS 475C.540 to 475C.586 or a rule adopted under a provision of ORS 475C.540 to 475C.586; or

(b) A provision of ORS 475C.005 to 475C.525 or a rule adopted under a provision of ORS 475C.005 to 475C.525.

(6) Fees adopted under subsection (2)(c) of this section must be reasonably calculated to pay the expenses incurred by the commission under ORS 475C.540 to 475C.586.

(7) Fee moneys collected under this section shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475C.297 and are continuously appropriated to the commis-
sion for the purpose of carrying out the duties, functions and powers of the commission under ORS 475C.540 to 475C.586.

**SECTION 31.** ORS 475C.560 is amended to read:

475C.560. (1) A laboratory that conducts testing of marijuana items or [industrial hemp-derived vapor items] cannabinoid hemp commodities or products as required by ORS 475C.544 must be accredited under ORS 438.605 to 438.620 and meet other qualifications as established by the Oregon Health Authority under this section.

(2) In addition to other qualifications required pursuant to ORS 438.605 to 438.620, the authority shall require an applicant for accreditation under ORS 438.605 to 438.620 for purposes related to the testing of marijuana items or [industrial hemp-derived vapor items] cannabinoid hemp commodities or products to:

(a) Complete an application;
(b) Undergo an onsite inspection; and
(c) Meet other applicable requirements, specifications and guidelines for testing marijuana items or [industrial hemp-derived vapor items] cannabinoid hemp commodities or products, as determined to be appropriate by the authority by rule.

(3) The authority may inspect premises licensed under ORS 475C.548 to ensure compliance with ORS 475C.540 to 475C.586 and rules adopted under ORS 475C.540 to 475C.586.

(4) Subject to the applicable provisions of ORS chapter 183, the authority may refuse to issue or renew, or may suspend or revoke, a laboratory's accreditation granted under this section and ORS 438.605 to 438.620 for violation of:

(a) A provision of ORS 475C.540 to 475C.586 or a rule adopted under a provision of ORS 475C.540 to 475C.586; or
(b) A provision of ORS 475C.005 to 475C.525 or a rule adopted under a provision of ORS 475C.005 to 475C.525.

(5) In establishing fees under ORS 438.620 for laboratories that test marijuana items or [industrial hemp-derived vapor items] cannabinoid hemp commodities or products, the authority shall establish fees that are reasonably calculated to pay the expenses incurred by the authority under this section and ORS 438.605 to 438.620 in accrediting laboratories that test marijuana items or [industrial hemp-derived vapor items] cannabinoid hemp commodities or products.

**SECTION 32.** ORS 475C.582 is amended to read:

475C.582. (1) If a person violates a provision of ORS 475C.540 to 475C.586 or a rule adopted under ORS 475C.540 to 475C.586 with regard to [an industrial hemp-derived vapor item:]

[(a) The State Department of Agriculture may impose disciplinary action described in ORS 571.285 and impose a civil penalty under ORS 571.348 if the person is a grower or handler registered under ORS 571.281.]

[(b)] a cannabinoid hemp commodity or product, the Oregon Liquor and Cannabis Commission may impose a civil penalty under ORS 475C.644 [if the person is not a grower or handler registered under ORS 571.281].

(2) The commission [and the department] may adopt rules to carry out this section.

**SECTION 33.** ORS 475C.590 is amended to read:

475C.590. (1) The Oregon Liquor and Cannabis Commission shall establish an advisory committee to advise the commission, the Oregon Health Authority and the State Department of Agriculture on establishing and maintaining standards for testing the potency of marijuana [and], marijuana items and cannabinoid hemp commodities or products, as those terms are defined in ORS
475C.009. The members of the committee must include members who are:
(a) Representatives of the commission, the authority and the department;
(b) Stakeholders in the marijuana [industry] and industrial hemp industries; and
(c) Individuals who have expertise in the potency testing of marijuana [and], marijuana items
and cannabinoid hemp commodities or products.
(2) The commission may adopt rules to carry out this section.
SECTION 34. ORS 475C.600 is amended to read:
475C.600. As used in ORS 475C.600 to 475C.648:
(1) “Adult use cannabinoid” includes, but is not limited to, tetrahydrocannabinols, tetrahydrocannabinolic acids that are artificially or naturally derived, delta-8-tetrahydrocannabinol, delta-9-tetrahydrocannabinol, the optical isomers of delta-8-tetrahydrocannabinol or delta-9-tetrahydrocannabinol and any artificially derived cannabinoid that is reasonably determined to have an intoxicating effect.
(2) “Artificially derived cannabinoid” has the meaning given that term in ORS 475C.009.
(3) “Cannabinoid” means any of the chemical compounds that are the active constituents of marijuana.
(4) “Cannabinoid concentrate or extract” means a substance obtained by separating cannabinoids from marijuana by a mechanical, chemical or other process.
(5) “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.
(6)(a) “Cannabinoid hemp commodity or product” means industrial hemp concentrates, industrial hemp extracts and any other industrial hemp item that contains cannabinoids and is intended for human ingestion, inhalation or other manner of application to or use in or on the human body.
(b) “Cannabinoid hemp commodity or product” does not include:
(A) Industrial hemp processed through retting or other manner of processing so that the industrial hemp is suitable fiber for textiles, rope, paper, hemcrete or other building or fiber materials;
(B) Industrial hemp processed in a manner that renders the industrial hemp seed incapable of germination and suitable for human consumption;
(C) Industrial hemp seed processed into oil; or
(D) Flowers or leaves of industrial hemp intended for human consumption that:
(i) Are not industrial hemp concentrate or industrial hemp extract, as defined in ORS 571.269; and
(ii) Other than pre-rolled usable hemp that contains an unflavored rolling paper and filter or tip, do not contain any added substances.
[(6)(a)] (7)(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
(C) Industrial hemp.
[(7)] (8) “Industrial hemp” has the meaning given that term in ORS 571.269.
[(8) “Industrial hemp-derived vapor item” means an industrial hemp concentrate or industrial hemp

extract, as those terms are defined in ORS 571.269, whether alone or combined with other substances, that is intended for use in an inhalant delivery system.]

(9) “Inhalant delivery system” has the meaning given that term in ORS 431A.175.

(10)(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; 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.

(11) “Marijuana item” means marijuana, usable marijuana, a cannabinoid product or a cannabinoid concentrate or extract.

(12) “Processing” means:

(a) The compounding or conversion of marijuana into cannabinoid products or cannabinoid concentrates or extracts.

(b) The compounding or conversion of industrial hemp or industrial hemp commodities or products into industrial hemp concentrates [or],[ industrial hemp extracts or cannabinoid hemp commodities or products.

(13) “Producing” means:

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

(b) Drying marijuana leaves and flowers.

(14) “Total delta-9-THC” has the meaning given that term in ORS 475C.009.

(15)(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

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

SECTION 35. ORS 475C.604 is amended to read:

475C.604. (1) As is necessary to protect the public health and safety, and in consultation with the Oregon Health Authority and the State Department of Agriculture, the Oregon Liquor and Cannabis Commission shall adopt rules establishing standards for the labeling of marijuana items [and], cannabinoid hemp commodities or products, and inhalant delivery systems that contain [industrial hemp-derived vapor items] cannabinoid hemp commodities or products, including but not limited to:

(a) Ensuring that usable marijuana, cannabinoid concentrates and extracts, cannabinoid edibles, other cannabinoid products, cannabinoid hemp commodities or products, and inhalant delivery systems that contain [industrial hemp-derived vapor items] cannabinoid hemp commodities or products have labeling that communicates:

(A) Health and safety warnings;

(B) If applicable, activation time;

(C) Potency;

(D) For cannabinoid products and cannabinoid concentrates and extracts, serving size and the number of servings included in a cannabinoid product or cannabinoid concentrate or extract package; and

(E) Content of the marijuana item, cannabinoid hemp commodity or product, or inhalant delivery system that contains [an industrial hemp-derived vapor item] a cannabinoid hemp commodity
or product; and

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

(2) In adopting rules under ORS 475C.770 to 475C.919, the authority shall require all usable
marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a med-
ical marijuana dispensary registered under ORS 475C.833 to be labeled in accordance with sub-
section (1) of this section and rules adopted under subsection (1) of this section.

(3) In adopting rules under ORS 475C.005 to 475C.525, the commission shall require all usable
marijuana, cannabinoid products [and], cannabinoid concentrates and extracts, and cannabinoid
hemp commodities or products sold or transferred by a marijuana retailer that holds a license
issued under ORS 475C.097 to be labeled in accordance with subsection (1) of this section and rules
adopted under subsection (1) of this section.

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

(a) May establish different labeling standards for different varieties of usable marijuana, for
different types of cannabinoid products and cannabinoid concentrates and extracts, cannabinoid
hemp commodities or products and for inhalant delivery systems that contain [industrial hemp-
derived vapor items] cannabinoid hemp commodities or products;

(b) May establish different minimum labeling standards for persons registered under ORS
475C.770 to 475C.919 and persons licensed under ORS 475C.005 to 475C.525;

(c) Shall consider the cost of a potential requirement and how that cost will affect the cost to
the ultimate consumer of the marijuana item, cannabinoid hemp commodity or product, or
inhalant delivery system that contains [an industrial hemp-derived vapor item] a cannabinoid hemp
commodity or product; and

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

SECTION 36. ORS 475C.608, as amended by section 8, chapter 108, Oregon Laws 2022, and
section 5, chapter 117, Oregon Laws 2022, is amended to read:

475C.608. (1) As used in this section:

(a) “Licensee” has the meaning given that term in ORS 475C.009.

(b) “Registrant” means a person registered under ORS 475C.770 to 475C.919.

(2) The Oregon Liquor and Cannabis Commission may by rule require a licensee or person re-
sponsible for the labeling of an inhalant delivery system that contains [an industrial hemp-derived
vapor item] a cannabinoid hemp commodity or product, and the Oregon Health Authority may
by rule require a registrant, to submit a label intended for use on a marijuana item, a cannabinoid
hemp commodity or product or an inhalant delivery system that contains [an industrial hemp-
derived vapor item] a cannabinoid hemp commodity or product for preapproval by the commission
before the licensee, person or registrant may sell or transfer a marijuana item, a cannabinoid hemp
commodity or product or an inhalant delivery system that contains [an industrial hemp-derived
vapor item] a cannabinoid hemp commodity or product for preapproval by the commission
before the licensee, person or registrant may sell or transfer a marijuana item, a cannabinoid hemp
commodity or product or an inhalant delivery system that contains [an industrial hemp-derived
vapor item] a cannabinoid hemp commodity or product bearing the label. The commission shall
determine whether a label submitted under this section complies with ORS 475C.604 and any rule
adopted under ORS 475C.604.

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

SECTION 37. ORS 475C.612 is amended to read:
(1) As is necessary to protect the public health and safety, and in consultation with the Oregon Health Authority and the State Department of Agriculture, the Oregon Liquor and Cannabis Commission shall adopt rules establishing standards for the packaging of marijuana items and cannabinoid hemp commodities or products, including but not limited to:

(a) Ensuring that cannabinoid concentrates and extracts, cannabinoid edibles [and], other cannabinoid products and cannabinoid hemp commodities or products are:

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

(B) Not marketed in a manner that:

(i) Is untruthful or misleading;

(ii) Is attractive to minors; or

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

(b) Ensuring that usable marijuana, including usable marijuana that is pre-rolled, is not marketed in a manner that:

(A) Is untruthful and misleading;

(B) Is attractive to minors; or

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

(c) Ensuring that cannabinoid edibles [and], other cannabinoid products and cannabinoid hemp commodities or products are not packaged in a manner that is attractive to minors.

(2) In adopting rules under ORS 475C.770 to 475C.919, the authority shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical marijuana dispensary registered under ORS 475C.833 to be packaged in accordance with subsection (1) of this section and rules adopted under subsection (1) of this section.

(3) In adopting rules under ORS 475C.005 to 475C.525, the commission shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts, and cannabinoid hemp commodities or products sold or transferred by a marijuana retailer that holds a license under ORS 475C.097 to be packaged in accordance with subsection (1) of this section and rules adopted under subsection (1) of this section.

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

(a) May establish different packaging standards for different varieties of usable marijuana and for different types of cannabinoid products and cannabinoid concentrates and extracts, and cannabinoid hemp commodities or products;

(b) May establish different minimum packaging standards for persons registered under ORS 475C.770 to 475C.919 and persons licensed under ORS 475C.005 to 475C.525;

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

(d) Shall consider the cost of a potential requirement and how that cost will affect the cost to the ultimate consumer of the marijuana item or cannabinoid hemp commodity or product; and

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

SECTION 38. ORS 475C.616 is amended to read:

475C.616. (1) As used in this section:

(a) “Licensee” has the meaning given that term in ORS 475C.009.

(b) “Registrant” means a person registered under ORS 475C.770 to 475C.919.

(2) The Oregon Liquor and Cannabis Commission may by rule require a licensee, and the Oregon Health Authority may by rule require a registrant, to submit packaging intended for a marijuana item or a cannabinoid hemp commodity or product for preapproval by the commission before the
licensee or registrant may sell or transfer a marijuana item or a cannabinoid hemp commodity or product packaged in the packaging. The commission shall determine whether packaging submitted under this section complies with ORS 475C.612 and any rule adopted under ORS 475C.612.

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

SECTION 39. ORS 475C.648 is amended to read:

475C.648. (1) If a person violates a provision of ORS 475C.600 to 475C.648 or a rule adopted under ORS 475C.600 to 475C.648 with regard to [an industrial hemp-derived vapor item:] [a] The State Department of Agriculture may impose disciplinary action described in ORS 571.285 and impose a civil penalty under ORS 571.348 if the person is a grower or handler registered under ORS 571.281.

[(b)] a cannabinoid hemp commodity or product, the Oregon Liquor and Cannabis Commission may impose a civil penalty under ORS 475C.644 [if the person is not a grower or handler registered under ORS 571.281].

(2) The commission [and the department] may adopt rules to carry out this section.

SECTION 40. ORS 571.269 is amended to read:

571.269. As used in ORS 571.260 to 571.348:

(1) “Adult use cannabinoid” has the meaning given that term in ORS 475C.009.

(2) “Adult use cannabis item” has the meaning given that term in ORS 475C.009.

(3) “Agricultural hemp seed” means Cannabis seed:

(a) That is sold to or intended to be sold to licensed growers for planting; or

(b) That remains in an unprocessed or partially processed condition that is capable of germination.

(4) “Artificially derived cannabinoid” has the meaning given that term in ORS 475C.009.

(5)(a) “Cannabinoid hemp commodity or product” means industrial hemp concentrates, industrial hemp extracts and any other industrial hemp item that contains cannabinoids and is intended for human ingestion, inhalation or other manner of application to or use in or on the human body.

(b) “Cannabinoid hemp commodity or product” does not include:

(A) Industrial hemp processed through retting or other manner of processing so that the industrial hemp is suitable fiber for textiles, rope, paper, hempcrete or other building or fiber materials;

(B) Industrial hemp processed in a manner that renders the industrial hemp seed incapable of germination and suitable for human consumption;

(C) Industrial hemp seed processed into oil; or

(D) Usable hemp.

[(5)] (6) “Consumption” means ingestion, inhalation or topical application to the skin or hair.

[(6)] (7) “Crop” means industrial hemp grown under a single license.

(8) “Distributor” means a person located outside of this state that holds a certificate issued under section 3 of this 2023 Act for the purpose of importing usable hemp or cannabinoid hemp commodities or products into this state.

[(7)] (9) “Grower” means a person, joint venture or cooperative that produces industrial hemp.

[(8)] (10) “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 identified by the State Department of Agriculture by rule.
(11)(a) “Hemp retailer” means a person in this state that sells cannabinoid hemp commodities or products to a consumer.

(b) “Hemp retailer” does not include a marijuana retailer that holds a license issued under ORS 475C.097.

(9)(a) (12)(a) “Industrial hemp”:
(A) Means the plant species Cannabis sativa that has a tetrahydrocannabinol concentration that complies with the concentration specified by the department by rule; and
(B) Has the meaning given that term as it is further defined by the department by rule.

(b) “Industrial hemp” does not mean:
(A) Industrial hemp commodities or products; or
(B) Cannabinoid hemp commodities or products.

(10) (13) “Industrial hemp concentrate” means an industrial 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.

(11) (14) “Industrial hemp extract” means an industrial hemp product obtained by separating cannabinoids from industrial hemp by:
(a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane 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.

(12) (15) “Licensee” means a grower, handler, agricultural hemp seed producer or other person licensed under ORS 571.281.

(16) “Usable hemp” means flowers or leaves of industrial hemp intended for human consumption that:
(a) Are not industrial hemp concentrate or industrial hemp extract; and
(b) Other than pre-rolled usable hemp that contains an unflavored rolling paper and filter or tip, do not contain any added substances.

SECTION 41. ORS 571.294 is amended to read:
571.294. The State Department of Agriculture may charge growers and handlers 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, or cannabinoid 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 42. ORS 571.312 is amended to read:
571.312. (1) As used in this section, “industrial hemp commodities and products intended for human consumption” means industrial hemp concentrates, industrial hemp extracts and any other industrial hemp item intended for human ingestion or inhalation that is a cannabinoid hemp commodity or product.

(2) The State Department of Agriculture, in consultation with the Oregon Liquor and
Cannabis Commission, shall establish by rule requirements for tracking the transfer of industrial hemp commodities and products intended for human consumption. The tracking described in this section may include:

(a) Associating the results from tests performed under ORS 571.330 with the batch of industrial hemp on which the tests were performed; and

(b) Identifying the origin and destination of industrial hemp commodities and products intended for human consumption transferred by a person licensed under ORS 571.281.

(3) Any requirements established by the department pursuant to subsection (2) of this section may require the use of the system developed and maintained under ORS 475C.177.

SECTION 43. ORS 571.330 is amended to read:

571.330. (1)(a) A laboratory licensed by the Oregon Liquor and Cannabis Commission under ORS 475C.548 and accredited by the Oregon Health Authority pursuant to ORS 475C.560 may test:

(A) Industrial hemp and industrial hemp commodities and products whether or not the industrial hemp or industrial hemp commodities or products, were produced or processed by a licensee; and

(B) Cannabinoid hemp commodities or products, processed by a 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 whether or not the industrial hemp or industrial hemp commodities or products were produced or processed by a licensee.

(2) A person may not sell or transfer [an industrial hemp commodity or product that is intended for human consumption and] a cannabinoid hemp commodity or product that was produced, processed or manufactured in this state unless the cannabinoid hemp commodity or product is tested by a laboratory described in subsection (1) of this section to ensure that the cannabinoid hemp commodity or product meets the requirements adopted by the Oregon Health Authority under ORS 475C.544 [(1)(a) and (b) for testing marijuana items and industrial hemp-derived vapor items and ORS 475C.544 (2) for testing cannabinoid edibles].

(3) [Industrial] Cannabinoid hemp commodities or products that are intended for use in an inhalant delivery system, as defined in ORS 431A.175, must meet the requirements of ORS 475C.540 to 475C.586 and 475C.600 to 475C.648 that apply to [industrial hemp-derived vapor items] cannabinoid hemp commodities or products as defined in ORS 475C.540 and 475C.600.

(4) For purposes of this section, the department shall adopt rules:

(a) Establishing protocols for the testing of industrial hemp commodities and products, and cannabinoid hemp commodities or products; and

(b) Establishing procedures for determining batch sizes and for sampling industrial hemp commodities and products.

(5) This section does not apply to:

(a) Agricultural hemp seed;

(b) Seeds of the plant genus Cannabis within the plant family Cannabaceae that are incapable of germination;

(c) Products derived from seeds described in paragraph (b) of this subsection; or

(d) Other parts of industrial hemp that the department identifies by rule as exempt.

SECTION 44. ORS 571.336 is amended to read:

571.336. (1) As used in this section, “licensee,” “marijuana,” “marijuana item,” [and] “marijuana processor,” “marijuana retailer” and “marijuana wholesaler” have the meanings given those terms in ORS 475C.009.
(2) A [grower licensed under ORS 571.281 may deliver industrial hemp, and a] handler licensed under ORS 571.281 may deliver [industrial hemp concentrates and industrial hemp extracts,] usable hemp to a marijuana processor that holds a license issued under ORS 475C.085, a marijuana wholesaler that holds a license issued under ORS 475C.093 or a marijuana retailer that holds a license issued under ORS 475C.097 if [:] the handler is registered with the Oregon Liquor and Cannabis Commission, in a form and manner prescribed by the commission.

[(a) The grower or handler and the marijuana processor are registered with the Oregon Liquor and Cannabis 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 475C.177 when the industrial hemp, industrial hemp concentrate or industrial hemp extract is delivered to the premises of the marijuana processor; and]

(3)(a) The handler shall enter into the tracking system developed and maintained under ORS 475C.177 the usable hemp that is intended for transfer, sale or transport to a marijuana processor, marijuana wholesaler or marijuana retailer before the usable hemp is transferred to a laboratory described in ORS 571.330 for testing in accordance with ORS 475C.544. The licensee and the laboratory shall continue to track the usable hemp entered into the system under this paragraph when the usable hemp is transferred, sold or transported to a premises licensed under ORS 475C.005 to 475C.525, or to other areas under the control of the premises licensee.

[(e)] (b) The [grower or] handler and the marijuana processor, marijuana wholesaler or marijuana retailer shall meet any other requirement established by the commission by rule.

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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 475C.297. Moneys deposited in the fund pursuant to this subsection are continuously appropriated to the commission for the purpose of administering this section.

**SECTION 45.** ORS 571.337 is amended to read:

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

- (a) “Licensee” means a person licensed under ORS 475C.005 to 475C.525.
- (b) “Processor” means a person licensed under ORS 475C.085.
- (c) “Retailer” means a person licensed under ORS 475C.097.
- (d) “Wholesaler” means a person licensed under ORS 475C.093.

(2) A processor, retailer or wholesaler may purchase, receive, transfer, sell or transport industrial hemp, or an industrial hemp commodity or product 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 licensed under ORS 571.281 or a processor;
- (b) The grower, handler or processor under paragraph (a) of this subsection is registered with the Oregon Liquor and Cannabis Commission as provided under ORS 571.336; and
- (c) The hemp, commodity or product meets the requirements for marijuana items under ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648 and rules adopted by the commission.

(3) A grower, handler or processor registered as described under ORS 571.336 (2)(a) shall enter the 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 475C.005 to 475C.525 into the tracking system described in ORS 475C.177 before the hemp, commodity or product is transferred to a laboratory described in ORS 571.330 (1) for testing of a type described under ORS 475C.544. 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 475C.005 to 475C.525, or to other areas under the control of the premises licensee.

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

- (a) Is tested as described in ORS 475C.544 and otherwise meets the requirements for marijuana items under ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648 and rules adopted by the commission;
- (b) Is entered into the tracking system described in ORS 475C.177;
- (c) Prior to the transfer, sale or transport, is held by the processor for the duration and in the manner required by the commission by rule; and
- (d) Meets any other requirements established by the commission by rule.

(5) The State Department of Agriculture shall adopt rules regarding the activities of growers and handlers under this section.

(6)(a) The commission shall adopt rules regarding the activities of processors, retailers, wholesalers and laboratories under this section.

(6)(b) The commission may adopt rules to carry out subsection (4) of this section.

(2) A processor, retailer or wholesaler may receive a cannabinoid hemp commodity or
product only if:

(a) The processor, retailer or wholesaler receives the cannabinoid hemp commodity or product from a processor, retailer, wholesaler or distributor; and

(b) The cannabinoid hemp commodity or product meets the requirements for marijuana items under ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648 and rules adopted by the Oregon Liquor and Cannabis Commission under ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648.

(3) A processor, retailer or wholesaler may purchase or receive usable hemp only if:

(a) The processor, retailer or wholesaler purchases or receives the usable hemp from a processor, retailer, wholesaler or distributor or a handler licensed under ORS 571.281 and registered with the commission under ORS 571.336; and

(b) The usable hemp meets the requirements for marijuana items under ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648 and rules adopted by the commission under ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648.

(4) A processor may purchase or receive industrial hemp only if:

(a) The processor is licensed as a handler under ORS 571.281;

(b) The industrial hemp was grown and harvested in accordance with 7 C.F.R. 990.23 or 7 U.S.C. 1639p, or regulations promulgated under 7 U.S.C. 1639p; and

(c) The industrial hemp passed testing in accordance with 7 U.S.C. 1639p or 1639q and any regulations promulgated under 7 U.S.C. 1639p or 1639q.

(5) A processor shall enter any industrial hemp received by the processor under subsection (4) of this section into the system developed and maintained under ORS 475C.177 immediately upon receipt of the industrial hemp. A licensee or laboratory licensee shall continue to track the industrial hemp, or a cannabinoid hemp commodity or product processed from the industrial hemp, when the industrial hemp or cannabinoid hemp commodity or product is transferred, sold or transported to a premises licensed under ORS 475C.005 to 475C.525, or to other areas under the control of the premises licensee.

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

(a) Is tested as described under ORS 475C.544 and otherwise meets the requirements for marijuana items under ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648 and rules adopted by the commission under ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648;

(b) Is entered into the system developed and maintained under ORS 475C.177;

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

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

(7) The commission shall adopt rules regarding the activities of processors, retailers, wholesalers and distributors under this section.

SECTION 46. ORS 571.339 is amended to read:

571.339. (1) For purposes of this section, “consumer” means a person that purchases, acquires, owns, holds or uses [an industrial hemp] a cannabinoid hemp commodity or product other than for the purpose of resale.

(2) A person may not sell, transfer or deliver [to a consumer an industrial hemp commodity or
product that contains cannabinoids and is intended for human consumption] a cannabinoid hemp commodity or product to a consumer in Oregon unless:

(a) The [industrial] cannabinoid hemp commodity or product has been tested in accordance with and meets the requirements of ORS 475C.544 and ORS 571.330 and any rules adopted pursuant to ORS 475C.544 and ORS 571.330;

(b) If the cannabinoid hemp commodity or product is intended for human [consumption by] ingestion, the cannabinoid hemp commodity or product was processed in a facility licensed by the State Department of Agriculture under ORS 616.695 to 616.755 or in a facility in another state or jurisdiction that meets requirements substantially similar to requirements established under ORS 616.695 to 616.755;

(c) The person obtains and maintains documentation of the results of the testing;

(d) If the industrial hemp commodity or product is sold to a person under 21 years of age or any representations are made to the consumer about the concentration of delta-8-tetrahydrocannabinol, the results of the testing required under this subsection demonstrate the concentration of delta-8-tetrahydrocannabinol;

(e) The industrial hemp commodity or product does not contain more than 0.3 percent tetrahydrocannabinol or the concentration of tetrahydrocannabinol allowed under federal law, whichever is greater; and

(f) The [industrial] cannabinoid hemp commodity or product does not exceed the concentration of adult use cannabinoids established by the Oregon Liquor and Cannabis Commission, in conjunction with the Oregon Health Authority and State Department of Agriculture, by rule;

(e) The cannabinoid hemp commodity or product is labeled in accordance with ORS 475C.600 to 475C.648 and the rules adopted under ORS 475C.600 to 475C.648; and

(f) The cannabinoid hemp commodity or product is included on the registry of cannabinoid hemp commodities or products described in section 2 of this 2023 Act.

(3) The testing required under subsection (2) of this section may be conducted only by:

(a) A laboratory licensed by the commission under ORS 475C.548 and accredited by the authority under ORS 475C.560; or

(b) If the [industrial] cannabinoid hemp commodity or product was processed outside of this state, a laboratory accredited to the same or more stringent standards as a laboratory described in paragraph (a) of this subsection.

(4) A person may not sell or deliver an adult use cannabis item to a person under 21 years of age.

(5) A person may not sell, transfer or deliver a marijuana item, as defined in ORS 475C.257, to a consumer.

(6) A hemp retailer may receive cannabinoid hemp commodities or products only if the requirements of subsection (2) of this section are met and only from:

(a) A marijuana processor that holds a license issued under ORS 475C.085;

(b) A marijuana wholesaler that holds a license issued under ORS 475C.093; or

(c) A distributor.

(7)(a) Except as provided in paragraph (b) of this subsection, a hemp retailer may sell, transfer or deliver cannabinoid hemp commodities or products only if the requirements of subsection (2) of this section are met and only to a consumer.

(b) A hemp retailer may return cannabinoid hemp commodities or products to the marijuana processor, marijuana wholesaler or distributor from which the cannabinoid hemp
commodities or products were received.

[(5)] (8) This section does not apply to the retail sale of [industrial] cannabinoid hemp commodities or products by a marijuana retailer, as defined in ORS 475C.009, that holds a license issued under ORS 475C.097.


(2) The Oregon Health Authority, the Oregon Liquor and Cannabis 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, commission and 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, commission and department by sections 2 to 4 of this 2023 Act and the amendments to ORS 475C.009, 475C.017, 475C.021, 475C.025, 475C.037, 475C.057, 475C.085, 475C.117, 475C.177, 475C.185, 475C.209, 475C.233, 475C.237, 475C.265, 475C.269, 475C.273, 475C.301, 475C.409, 475C.449, 475C.469, 475C.481, 475C.501, 475C.513, 475C.540, 475C.544, 475C.548, 475C.560, 475C.582, 475C.590, 475C.600, 475C.604, 475C.608, 475C.612, 475C.616, 475C.648, 571.269, 571.294, 571.312, 571.330, 571.336, 571.337 and 571.339 by sections 5 to 46 of this 2023 Act.

SECTION 48. This 2023 Act takes effect on the 91st day after the date on which the 2023 regular session of the Eighty-second Legislative Assembly adjourns sine die.