

Enrolled House Bill 4121

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Judiciary for Representative Jason Kropf)

CHAPTER

AN ACT

Relating to cannabis; creating new provisions; amending ORS 475C.049, 475C.117, 475C.197, 475C.209, 475C.265, 475C.269, 475C.273, 475C.297, 475C.742, 475C.746, 571.306 and 571.309 and section 2, chapter 108, Oregon Laws 2022; repealing ORS 571.312; and declaring an emergency.

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

ENFORCEMENT

SECTION 1. (1) As used in this section:

- (a) “Industrial hemp” has the meaning given that term in ORS 571.269.
- (b) “Marijuana” has the meaning given that term in ORS 475C.009.

(2) The Oregon Liquor and Cannabis Commission shall, with the assistance of the State Department of Agriculture, create and continually update a map of the following:

- (a) Premises for which a license has been issued under ORS 475C.065; and
- (b) The locations of industrial hemp operations licensed under ORS 571.281.

(3) The commission shall make the map described in subsection (2) of this section available to law enforcement agencies in this state and public employees and officials who are responsible for the enforcement of state and local laws regulating industrial hemp or marijuana.

SECTION 2. (1) As used in this section:

- (a) “Industrial hemp” has the meaning given that term in ORS 571.269.
- (b) “Marijuana” has the meaning given that term in ORS 475C.009.

(2) The Oregon Liquor and Cannabis Commission, in consultation with the State Department of Agriculture, shall develop by rule a methodology to distinguish whether a cannabis plant is marijuana or industrial hemp for purposes of sections 1, 4, 5 and 6 of this 2024 Act. The methodology must include testing criteria and cannabinoid concentrations above which immature or mature cannabis plants are presumptively considered to be marijuana.

(3) The department may order a person licensed under ORS 571.281 to destroy any cannabis plants located at an industrial hemp operation for which the person is responsible if the cannabis plants are presumptively considered to be marijuana under the methodology developed pursuant to subsection (2) of this section.

SECTION 3. Sections 4 to 6 of this 2024 Act are added to and made a part of ORS 571.260 to 571.348.

SECTION 4. (1) The State Department of Agriculture may enter into an interagency agreement with the Oregon Liquor and Cannabis Commission to allow representatives of the commission to carry out inspections of industrial hemp crops under ORS 571.281 (7) throughout this state.

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

SECTION 5. The State Department of Agriculture shall adopt rules to allow:

(1) Law enforcement officers to accompany representatives of the department to an industrial hemp operation for the purposes of providing protection to the department's representatives; and

(2) Public employees and officials who are responsible for the enforcement of state and local laws to accompany representatives of the department to an industrial hemp operations in order to carry out inspections that the public employees or officials are authorized to perform.

SECTION 6. The Governor may order that the Oregon National Guard provide assistance and support to the State Department of Agriculture and law enforcement in carrying out inspections of industrial hemp crops under ORS 571.281 (7) and other duties of the department related to the enforcement of ORS 571.260 to 571.348.

INDUSTRIAL HEMP

SECTION 7. ORS 475C.297 is amended to read:

475C.297. The Marijuana Control and Regulation Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Marijuana Control and Regulation Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Oregon Liquor and Cannabis Commission to administer and enforce ORS 475C.005 to 475C.525, 475C.540 to 475C.586, 475C.600 to 475C.648, [and] 475C.925 **and 571.309 and sections 2 and 4 of this 2024 Act.**

SECTION 8. ORS 571.306 is amended to read:

571.306. [(1) A person licensed under ORS 571.281 may, within the boundaries of this state, transport to or receive from:]

[(a)] (1) A person licensed under ORS 571.281 or a laboratory licensed under ORS 475C.548 **may, within the boundaries of this state, transport or receive** industrial hemp or an industrial hemp commodity that contains no more tetrahydrocannabinol than allowed by the State Department of Agriculture by rule if the industrial hemp or industrial hemp used in the industrial hemp commodity originated from a crop [inspected under ORS 571.281 (7)] that was found to not contain an average tetrahydrocannabinol concentration exceeding the concentration specified by the department by rule.

[(b)] (2) A person licensed under ORS 475C.085, 475C.093 or 475C.097 **may, within the boundaries of this state, receive from a person licensed under ORS 571.281** industrial hemp or an industrial hemp commodity or product that contains no more tetrahydrocannabinol than allowed by the Oregon Liquor and Cannabis Commission by rule if the industrial hemp or industrial hemp used in the industrial hemp commodity or product originated from a crop [inspected under ORS 571.281 (7)] that was found to not contain an average tetrahydrocannabinol concentration exceeding the concentration specified by the department by rule.

[(2)] (3) Industrial hemp or an industrial hemp commodity or product transported or received as described in this section may not be considered a "marijuana item."

SECTION 9. ORS 571.309 is amended to read:

571.309. The Oregon Liquor and Cannabis Commission, in consultation with the State Department of Agriculture, shall adopt rules to establish:

(1) The maximum concentration of tetrahydrocannabinol permitted in a single serving of an industrial hemp product;

(2) The maximum concentration of any other cannabinoid, adult use cannabinoid or artificially derived cannabinoid that is permitted in a single serving of an industrial hemp product; [and]

(3) The number of servings that are permitted in a package of industrial hemp products[.]; and

(4) **Standards for approving industrial hemp products that contain artificially derived cannabinoids and that are intended for sale at retail. The rules adopted under this subsection may not be more restrictive than the rules applicable to the sale at retail of adult use cannabis items.**

INDUSTRIAL HEMP PRODUCT REGISTRATION

SECTION 10. Sections 11 to 14a of this 2024 Act are added to and made a part of ORS 571.260 to 571.348.

SECTION 11. (1) As used in this section and sections 12 and 13 of this 2024 Act, “cannabinoid” means any of the chemical compounds that are the active constituents derived from industrial hemp.

(2)(a) The Oregon Liquor and Cannabis Commission, in consultation with the State Department of Agriculture, shall establish a registration program for industrial hemp products that contain cannabinoids and are intended for human or animal consumption or use. An industrial hemp product described in this paragraph is not subject to the requirements of this section unless the industrial hemp product is in its final form and ready for sale, transfer or delivery to a consumer in this state.

(b) A person that is located within or outside this state and that, as determined by the commission by rule, is responsible for the manufacture, packaging or distribution of an industrial hemp product described in paragraph (a) of this subsection shall, prior to selling, transferring or delivering the industrial hemp product directly to a consumer in this state or selling, transferring or delivering the industrial hemp product to a retailer in this state for the purpose of sale to a consumer in this state:

(A) Annually submit the information described in subsection (3) of this section to the commission in a manner specified by the commission by rule;

(B) Include on the industrial hemp product a label that contains the information described in subsection (4) of this section; and

(C) Pay an annual registration fee established by the commission by rule.

(3) A person described in subsection (2) of this section shall submit to the commission the following information about an industrial hemp product that contains cannabinoids and is intended for human or animal consumption or use:

(a) The name and type of the product;

(b) The name and physical address of the manufacturer of the product;

(c) The mailing address of the manufacturer of the product;

(d) A certificate of analysis for a batch of the product;

(e) A copy of the label for the product;

(f) A statement about whether the product is an adult use cannabis item; and

(g) Any other information required by the commission by rule.

(4) A person described in subsection (2) of this section shall label an industrial hemp product that contains cannabinoids and is intended for human or animal consumption or use with a label that contains the following information:

(a) The name and type of the product;

(b) The name and physical address of the manufacturer of the product;

(c) The ingredients of the product;

(d) The net weight or volume of the product;

(e) The serving size and number of servings contained in a package of the product;

(f) The potency of the product and a list of the cannabinoid contents of the product;

(g) The address of a publicly accessible website that contains the certificate of analysis for the product;

(h) Health and safety warnings required by law or rule;

(i) If the product is an adult use cannabis item, the following language:

(A) "For use only by adults 21 and older."; and

(B) "Keep out of reach of children.";

(j) If the product is a food product, any other information required by law or rule for food products; and

(k) Any other information required by the commission by rule.

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

(a) May establish different labeling standards for different types of industrial hemp products that contain cannabinoids and are intended for human or animal consumption or use, and may consider existing product quality requirements or standards applicable to different types of products; and

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

(6) If an industrial hemp product is intended only for human consumption or use, the person described in subsection (2) of this section shall comply with the requirements of ORS 571.337 and 571.339.

(7)(a) The fee collected under this section may not exceed the cost of administering ORS 571.309 and sections 2, 4 and 11 to 14 of this 2024 Act.

(b) Fees collected under this section shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475C.297.

(8) A person is not required to submit to the commission the information described in subsection (3) of this section for an industrial hemp product that contains cannabinoids and is intended for human or animal consumption or use if another person has submitted the information for the product and the product continues to be consistent with the previously submitted information.

(9) The commission may refuse to register an industrial hemp product that contains cannabinoids and is intended for human or animal consumption or use if, based on the information described in subsection (3) or (4) of this section, the sale of the product to a consumer is prohibited by section 12 of this 2024 Act or by the commission by rule.

(10) This section does not apply to an industrial hemp product that:

(a) Does not contain cannabinoids;

(b) Is intended only for topical use;

(c) Is an industrial hemp grain or fiber product that does not contain added cannabinoids;

(d) Is a commercial feed product for animals registered under ORS 633.006 to 633.089; or

(e) Is transported through this state en route to a final destination in another state.

SECTION 12. A person may not sell, transfer or deliver to a consumer in this state an industrial hemp product that contains cannabinoids and is intended for human or animal consumption or use that:

(1) Is not registered under section 11 of this 2024 Act.

(2) Does not bear a label that meets the requirements of section 11 of this 2024 Act, or bears a label that does not precisely indicate the contents of the container or that may deceive a consumer regarding the nature, composition, quantity, age or quality of the contents.

(3) Includes upon the packaging any untruthful or misleading statements, including but not limited to, a health claim that is not supported by a consensus of publicly available scientific evidence, including evidence from well-designed studies conducted in a manner that is consistent with generally recognized scientific procedures and principles and for which there is significant scientific agreement among experts qualified by scientific training and experience to evaluate such a claim.

(4) Is attractive to minors, including by featuring:

- (a) A cartoon;
 - (b) A design, brand or name that resembles a product that is not an industrial hemp product that contains cannabinoids and is intended for human or animal consumption or use and is of a type typically marketed to minors;
 - (c) A symbol or celebrity that is commonly used to market products to minors;
 - (d) An image of minors; or
 - (e) Words that refer to products that are commonly associated with minors or marketed to minors.
- (5) In the commission's discretion:
- (a) Bears or contains any poisonous or deleterious substance, including but not limited to tobacco or nicotine, in a quantity rendering the product injurious in a manner that may pose a risk to human health, or that exceeds any established safe tolerance;
 - (b) Consists in whole or in part of any filthy, putrid or decomposed substance or is otherwise unfit for human or animal consumption or use;
 - (c) Is processed, prepared, packaged or held under improper or insanitary conditions or under conditions that increase the probability of contamination with excessive microorganisms or physical contaminants or of cross-contamination;
 - (d) Is held or packaged in containers composed, in whole or in part, of any poisonous or deleterious substance that renders the contents potentially injurious to health;
 - (e) Includes any substitute substance;
 - (f) Is damaged or inferior; or
 - (g) Includes any substance intended to increase the bulk or weight of the product, reduce the quality or strength of the product or make the product appear better or of greater value.
- (6) Does not meet relevant minimum standards provided by the laws of this state.

SECTION 13. Subject to ORS chapter 183, the Oregon Liquor and Cannabis Commission may:

(1) If the commission has reasonable cause to believe that any quantity or lot of industrial hemp product that contains cannabinoids and is intended for human or animal consumption or use is sold, transferred or delivered in violation of section 11 or 12 of this 2024 Act or rules adopted pursuant to section 11 or 12 of this 2024 Act, issue and enforce an order to prohibit the disposal, distribution or use in any manner of the quantity or lot. The person to whom the order is issued shall immediately remove from locations readily visible and accessible to the public any product in packaged form that is subject to the order. The commission may enforce the order until all actions against the order, including any contested case, are resolved, and shall release from the order the product if the violation is cured.

(2) Seize any quantity or lot that the commission determines does not comply with section 11 or 12 of this 2024 Act or rules adopted under section 11 or 12 of this 2024 Act.

SECTION 14. In addition to any other liability or penalty provided by law, the Oregon Liquor and Cannabis Commission may impose a civil penalty, in the manner provided in ORS 183.745, not to exceed \$10,000 for each violation of a provision of section 11, 12 or 13 of this 2024 Act, a rule adopted pursuant to section 11, 12 or 13 of this 2024 Act or an order issued by the commission under section 13 of this 2024 Act. Moneys collected under this section shall be deposited in the General Fund and be available for general governmental purposes.

SECTION 14a. The Oregon Liquor and Cannabis Commission may adopt rules to carry out sections 11 to 14 of this 2024 Act.

SECTION 15. ORS 475C.297, as amended by section 7 of this 2024 Act, is amended to read:

475C.297. The Marijuana Control and Regulation Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Marijuana Control and Regulation Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Oregon Liquor and Cannabis Commission to administer and enforce ORS 475C.005 to 475C.525, 475C.540 to 475C.586, 475C.600 to 475C.648, 475C.925 and 571.309 and sections 2, [and] 4 and 11 to 14 of this 2024 Act.

SECTION 16. ORS 571.312 is repealed.

SECTION 17. (1) Sections 11 to 14a of this 2024 Act, the amendments to ORS 475C.297 by section 15 of this 2024 Act and the repeal of ORS 571.312 by section 16 of this 2024 Act become operative on January 1, 2026.

(2) 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 commission and the department to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the commission and the department by sections 11 to 14a of this 2024 Act, the amendments to ORS 475C.297 by section 15 of this 2024 Act and the repeal of ORS 571.312 by section 16 of this 2024 Act.

MARIJUANA LICENSE CAPS AND MORATORIUM

SECTION 18. Section 19 of this 2024 Act is added to and made a part of ORS 475C.005 to 475C.525.

SECTION 19. (1) The Oregon Liquor and Cannabis Commission may not accept an application for a new license under ORS 475C.065, 475C.085, 475C.093 or 475C.097 unless:

(a) For a production license under ORS 475C.065, there is not more than one active license per 7,500 residents in this state who are 21 years of age or older.

(b) For a processor license under ORS 475C.085, there is not more than one active license per 12,500 residents in this state who are 21 years of age or older.

(c) For a wholesale license under ORS 475C.093, there is not more than one active license per 12,500 residents in this state who are 21 years of age or older.

(d) For a retail license under ORS 475C.097, there is not more than one active license per 7,500 residents in this state who are 21 years of age or older.

(2) Subsection (1) of this section does not apply to:

(a) An application for renewal of a license described in subsection (1) of this section;

(b) An application for reissuance of a license described in subsection (1) of this section necessitated by a change in the location or ownership of a production, processing, wholesale or retail facility or premises;

(c) An application for a change in size of a mature marijuana plant grow canopy; or

(d) The sale or purchase of a license described in subsection (1) of this section issued prior to the operative date specified in section 22 of this 2024 Act.

(3) The commission may adopt rules to carry out this section.

SECTION 20. Section 19 of this 2024 Act applies to applications received on or after January 1, 2025.

SECTION 21. ORS 475C.049 is amended to read:

475C.049. (1) **Subject to section 19 of this 2024 Act**, the Oregon Liquor and Cannabis Commission shall approve or deny an application to be licensed under ORS 475C.005 to 475C.525. Except as provided in subsection (2) of this section, upon receiving an application under ORS 475C.033, the commission may not delay processing, approving or denying the application or, if the application is approved, issuing the license.

(2) The commission may delay processing, approving or denying an application described in subsection (1) of this section only if:

(a) The applicant, or a person named on the application, holds a license issued under ORS 475C.005 to 475C.525 and the commission has issued a notice proposing revocation of the license for one or more violations of ORS 475C.005 to 475C.525 that are administrative in nature, as determined by the commission, or a notice proposing suspension of the license pursuant to ORS 305.385;

(b) The applicant is applying for a license at a premises where the applicant seeks to assume ownership of an existing business for which a license has been issued under ORS 475C.005 to 475C.525 and the commission has issued a notice proposing revocation of the license for the existing

business or a notice proposing suspension of the license for the existing business pursuant to ORS 305.385; or

(c) The commission has received information from law enforcement that the applicant or a person named on the application is engaging, or has engaged, in the unregulated commerce of marijuana items or unlawful manufacture or delivery of controlled substances.

(3) The licenses described in ORS 475C.005 to 475C.525 must be issued by the commission, subject to the provisions of ORS 475C.005 to 475C.525 and rules adopted under ORS 475C.005 to 475C.525.

(4) The commission may not license a premises that does not have defined boundaries. A premises does not need to be enclosed by a wall, fence or other structure, but the commission may require a premises to be enclosed as a condition of issuing or renewing a license. The commission may not license a mobile premises.

SECTION 22. (1) Section 19 of this 2024 Act and the amendments to ORS 475C.049 by section 21 of this 2024 Act become operative on January 1, 2025.

(2) The Oregon Liquor and Cannabis Commission may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the commission to exercise, on or after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the commission by section 19 of this 2024 Act and the amendments to ORS 475C.049 by section 21 of this 2024 Act.

SECTION 23. Section 2, chapter 108, Oregon Laws 2022, is amended to read:

Sec. 2. Section 1, chapter 108, Oregon Laws 2022, [of this 2022 Act] is repealed on [March 31, 2024] December 31, 2024.

MINOR DECOY OPERATIONS

SECTION 24. Section 25 of this 2024 Act is added to and made a part of ORS 475C.005 to 475C.525.

SECTION 25. (1)(a) The Oregon Liquor and Cannabis Commission shall by rule develop uniform standards for minor decoy operations used to investigate persons selling, transferring or delivering industrial hemp products that contain cannabinoids and are intended for human or animal consumption or use in this state for violations of the laws of this state prohibiting sales of adult use cannabis items to minors.

(b) Uniform standards established under this section apply to all investigations conducted by the commission that use minor decoys. The commission shall encourage all law enforcement agencies in this state to use the uniform standards established under this section for minor decoy operations conducted by the law enforcement agencies.

(2) To the greatest extent possible, the uniform standards established by the commission under this section must:

(a) Be the same for minor decoy operations conducted by the commission and for minor decoy operations conducted by law enforcement agencies of this state; and

(b) Provide for coordination between the commission and law enforcement agencies of this state in conducting minor decoy operations.

(3) The failure of the commission or a law enforcement agency to follow the uniform standards established under this section is not grounds for challenging a complaint, citation or conviction for violation of the laws prohibiting the sale of adult use cannabis items to minors.

(4) Notwithstanding any other provision of ORS 475C.005 to 475C.525 or any provision of 571.260 to 571.348, the commission may not consider the sale of an adult use cannabis item to a minor that results from a minor decoy operation that is not conducted in compliance with the uniform standards established under this section for the purpose of imposing a civil penalty.

(5) The commission shall give notice of the uniform standards established under this section to all law enforcement agencies of this state that conduct minor decoy operations.

SECTION 26. (1) Section 25 of this 2024 Act becomes operative on January 1, 2025.

(2) The Oregon Liquor and Cannabis Commission may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the commission to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the commission by section 25 of this 2024 Act.

TEMPORARY PERMITS

SECTION 27. ORS 475C.269 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 **or temporary 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 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 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 **or temporary 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 28. 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;

(D) If applicable, producing and propagating marijuana;

(E) If applicable, processing marijuana;

(F) The content of ORS 475C.005 to 475C.525 and rules adopted under ORS 475C.005 to 475C.525;

(G) If applicable, the content of ORS 475C.540 to 475C.586 and rules adopted under ORS 475C.540 to 475C.586; or

(H) 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 **or temporary permit** if the individual who is applying for or who holds the permit **or temporary 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 475C.540 to 475C.586 or any rule adopted under ORS 475C.005 to 475C.525 or 475C.540 to 475C.586; 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.

(6)(a) The commission shall establish by rule a process to issue to an individual, upon receipt of the individual's application for a permit described in subsection (1) of this section, a temporary permit to perform work described in ORS 475C.269 until the issuance or denial of a permit described in subsection (1) of this section.

(b) A temporary permit expires on the date on which the individual is issued or denied a permit described in subsection (1) of this section.

(c) The commission may adopt rules to establish conditions for the issuance of a temporary permit under this subsection.

SECTION 29. ORS 475C.117 is amended to read:

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 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 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 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 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 **or temporary permit** issued under ORS 475C.273 and carry the permit **or temporary 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.

(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.

(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 are made.

(b) May not:

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

(B) Carry 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 being delivered.

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

(5) A delivery of marijuana items 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 30. ORS 475C.197 is amended to read:

475C.197. (1) Notwithstanding the lapse, suspension or revocation of a permit **or temporary permit** issued under ORS 475C.273, the Oregon Liquor and Cannabis Commission may:

(a) Proceed with any investigation of, or any action or disciplinary proceeding against, the person who held the permit **or temporary permit**; *[or]*

(b) Revise or render void an order suspending or revoking the permit **or temporary permit**]; **or**

(c) **Revoke or suspend a permit for actions that occurred while the permittee held a temporary permit.**

(2) In cases involving the proposed denial of a permit **or temporary permit** issued under ORS 475C.273, the applicant for the permit **or temporary permit** may not withdraw the applicant's application.

SECTION 31. ORS 475C.209 is amended to read:

475C.209. (1) In order to transport marijuana items, 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 **or temporary 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 are being transported;

(e) A detailed inventory of the marijuana and marijuana items 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 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 32. ORS 475C.265 is amended to read:

475C.265. (1) Subject to subsection (3) of this section, the Oregon Liquor and Cannabis Commission may revoke, suspend or restrict a license issued under ORS 475C.005 to 475C.525 or 475C.548 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 475C.540 to 475C.586 or a rule adopted under ORS 475C.005 to 475C.525 or 475C.540 to 475C.586.

(b) Has diverted marijuana to the interstate market or an illicit market or has diverted resources 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 475C.540 to 475C.586 or a rule adopted under ORS 475C.005 to 475C.525 or 475C.540 to 475C.586 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 substances to excess.

(f) Has misrepresented to a customer or the public any marijuana items 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 or 475C.548.

(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 or 475C.548 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 475C.548 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 475C.540 to 475C.586 or a rule adopted under ORS 475C.005 to 475C.525 or 475C.540 to 475C.586.

(5) The commission may suspend or revoke a permit **or temporary permit** issued under ORS 475C.273 to an individual rather than suspend or revoke a license issued under ORS 475C.005 to 475C.525 or 475C.548 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 33. ORS 475C.742 is amended to read:

475C.742. A financial institution that provides financial services customarily provided by financial institutions pursuant to powers granted by ORS 717.200 to 717.320, 717.900 and 717.905, the Bank Act or by ORS chapter 723 to a marijuana processing site registered under ORS 475C.815, a medical marijuana dispensary registered under ORS 475C.833, a marijuana producer that holds a license under ORS 475C.065, a marijuana processor that holds a license under ORS 475C.085, a marijuana wholesaler that holds a license under ORS 475C.093, a marijuana retailer that holds a license under ORS 475C.097, a laboratory that holds a license under ORS 475C.548 or a person to whom a permit **or temporary permit** has been issued under ORS 475C.273 is exempt from any criminal law of this state an element of which may be proven by substantiating that a person provides financial services customarily provided by financial institutions pursuant to powers granted by ORS 717.200 to 717.320, 717.900 and 717.905, the Bank Act or ORS chapter 723 to a person who possesses, delivers or manufactures marijuana or marijuana derived products.

SECTION 34. ORS 475C.746 is amended to read:

475C.746. (1) Notwithstanding any law relating to the exemption of information from public disclosure under ORS 475C.005 to 475C.525 or 475C.540 to 475C.586, upon the request of a financial institution, the Oregon Liquor and Cannabis Commission shall provide to the financial institution the following information:

(a) Whether a person with whom the financial institution is doing business holds a license under ORS 475C.065, 475C.085, 475C.093, 475C.097 or 475C.548 or a permit **or temporary permit** under ORS 475C.273;

(b) The name of any other business or individual affiliated with the person;

(c) A copy of the application, and any supporting documentation submitted with the application, for a license or a permit **or temporary permit** submitted by the person;

(d) If applicable, data relating to sales and the volume of product sold by the person;

(e) Whether the person is currently compliant with the provisions of ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648 and rules adopted under ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648;

(f) Any past or pending violation by the person of a provision of ORS 475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.600 to 475C.648 or a rule adopted under ORS 475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.600 to 475C.648; and

(g) Any penalty imposed upon the person for violating a provision of ORS 475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.600 to 475C.648 or a rule adopted under ORS 475C.005 to 475C.525, 475C.540 to 475C.586 or 475C.600 to 475C.648.

(2) Upon receiving a request under subsection (1) of this section, the commission shall provide the requesting financial institution with the requested information.

(3) The commission may charge a financial institution a reasonable fee to cover the administrative costs of providing information under this section.

SECTION 35. (1) **The amendments to ORS 475C.117, 475C.197, 475C.209, 475C.265, 475C.269, 475C.273, 475C.742 and 475C.746 by sections 27 to 34 of this 2024 Act become operative on January 1, 2025.**

(2) **The Oregon Liquor and Cannabis Commission may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the commission to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the commission by the amendments to ORS 475C.117, 475C.197, 475C.209, 475C.265, 475C.269, 475C.273, 475C.742 and 475C.746 by sections 27 to 34 of this 2024 Act.**

CAPTIONS

SECTION 36. The unit captions used in this 2024 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2024 Act.

EFFECTIVE DATE

SECTION 37. This 2024 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2024 Act takes effect on its passage.

Passed by House March 6, 2024

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Timothy G. Sekerak, Chief Clerk of House

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Dan Rayfield, Speaker of House

Passed by Senate March 7, 2024

.....
Rob Wagner, President of Senate

Received by Governor:

.....M,....., 2024

Approved:

.....M,....., 2024

.....
Tina Kotek, Governor

Filed in Office of Secretary of State:

.....M,....., 2024

.....
LaVonne Griffin-Valade, Secretary of State