

CANNABIS REGULATION

OREGON LIQUOR & CANNABIS COMMISSION

House Economic Development, Small Business and Trade
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CANNABIS IN OREGON



CANNABIS IN OREGON

ADULT USE – MEDICAL – HEMP

- **Oregon Liquor and Cannabis Commission (OLCC):**
 - Adult use marijuana businesses and worker permits
 - Authority to set THC concentration limits for cannabis products and hemp product registration
- **Oregon Health Authority (OHA):**
 - Medical marijuana activities/businesses – the Oregon Medical Marijuana Program (OMMP)
 - Marijuana testing standards and requirements (medical & adult use)
- **Oregon Department of Agriculture (ODA):**
 - Hemp
 - Pesticides
 - Food safety licensing (commercial kitchens; retail), scale certification, etc.

CANNABIS IN OREGON

MARIJUANA & HEMP

- “Hemp” and “marijuana” refer to the same plant: *Cannabis sativa* L.
 - The distinction is purely legal, not botanical
- Over-simplified, but basically:
 - Cannabis with 0.3% or less THC is “hemp”
 - Cannabis with more than 0.3% THC is “marijuana”
- Lots of different ideas about what the federal definition means
- The definition in Oregon is slightly different from the federal definition
- Both marijuana and hemp are widely used in food items



CANNABIS IN OREGON

ADULT USE – OLCC

Statute: ORS Chapter 475C

Administrative Rules: OAR Chapter 845, Divisions 25 and 26

License Types: Producers (1,367), Processors (277), Wholesalers (244), Retailers (771), Laboratories (10), and Research Certificate (1)

Permit Types: Worker Permits (55,701)

Certificates: Research and hemp (for hemp to enter the OLCC-regulated marijuana market)

Oregon Department of Revenue (DOR): Tax collection of adult use sales; medical sales are tax exempt

Local Jurisdictions: Opt-In/Opt-Out; law enforcement; governing bodies; code enforcement

CANNABIS IN OREGON

MEDICAL – OMMP (OHA)

Statute: ORS Chapter 475C (Oregon Medical Marijuana Act begins at 475C.770)

Administrative Rules: ORS Chapter 333, Divisions 7, 8, and 64

Registration Types: Cardholder (12,253), Caregiver (4,871), Grower (2,699), Processor (0), Dispensary (0)

Testing Rules: OHA is responsible for testing rules that cover medical, adult use, and hemp

Grow Site Tracking Requirements: CTS (111), OMMOS (108), Exempt from tracking (2,233)

CANNABIS IN OREGON

HEMP – ODA

Federal Statute: The Agriculture Improvement Act of 2018 (2018 Farm Bill, Section 10113)

State Statute: ORS Chapter 571

Administrative Rules: ORS Chapter 603, Division 48

License Types: Hemp growers (134), hemp handlers (165) and hemp vendors (430)

- Types of businesses applying for a hemp vendor license include grocery stores, gas stations, convenience stores and wholesalers.

REGULATIONS



REGULATIONS

ADULT USE MARIJUANA

- Businesses are licensed by the OLCC to produce, process, and sell adult use marijuana – all marijuana products stay within the licensed system until final sale to a customer at an OLCC licensed retailer
- Marijuana products are subject to a point-of-sale tax of 17% for the state and 3% for the local jurisdiction where the sale is made
- All businesses use the cannabis tracking system to account for the items through the supply chain until the final sale to a customer
 - OLCC is able to use the cannabis tracking system for auditing, investigations, and product recalls
 - Department of Revenue is able to utilize the system for tax auditing purposes
- Marijuana products go through a packaging and labeling preapproval process administered by the OLCC

REGULATIONS

HEMP

- Businesses in Oregon are licensed by the ODA to produce, process, and sell hemp and hemp products
- Hemp and hemp products are not prohibited from being transported in and out of the state
- Hemp products can be sold at OLCC marijuana retail stores
 - Subject to tracking in the cannabis tracking system
 - Not subject to the point-of-sale tax
- OLCC in coordination with ODA sets the amount of THC hemp products can contain
 - Not to exceed 0.3% THC
- OLCC in coordination with ODA defined “adult use hemp item” that cannot be sold to minors
- Beginning on January 1st, all hemp products that contain cannabinoids (except topicals) are required to register their products with the OLCC and follow labeling requirements

FEDERAL LANDSCAPE



FEDERAL LANDSCAPE

MARIJUANA

- In December 2025, the President directed the Attorney General to complete the rulemaking process to reschedule marijuana as a Schedule III controlled substance
 - At this time, marijuana remains a Schedule I controlled substance under federal law
- Schedule III substances are defined as drugs with a moderate to low potential for physical and psychological dependence
 - Examples of Schedule III drugs: products containing less than 90 milligrams of codeine per dosage unit (Tylenol with codeine), ketamine, anabolic steroids
- If the proposed reclassification occurs:
 - Oregon marijuana businesses will most likely no longer be impacted by Section 280E for federal taxes
 - The change *may* also allow for more medical research to be conducted on marijuana
 - A reclassification would not allow for adult use marijuana to be sold in general commerce
- OLCC will work with our partner agencies, stakeholders, other states and licensees to reevaluate current regulations as more information on the impact of rescheduling becomes available

FEDERAL LANDSCAPE

HEMP

- In November 2025, Congress passed an appropriations bill that included language in relation to hemp and hemp products; the language is set to take effect in November 2026
 - The legislation will cause many hemp items that contain cannabinoids to be classified as marijuana
- Within 90 days (mid February 2026) of the enactment of the Act, it requires the Food and Drug Administration (in consultation with other relevant federal agencies) to publish:
 - A list of all cannabinoids known to FDA to be capable of being naturally produced by a cannabis plant
 - A list of all THC class cannabinoids known to be naturally occurring in the plant
 - A list of all other known cannabinoid with similar effects, or marketed to have similar effects, of THC
 - Additional information and specificity about the term “container”
- OLCC will continue to monitor changes at the federal level and work with our partner agencies, stakeholders, other states to reevaluate current regulations as more information is available



OLCC oversees access to alcohol and cannabis products in Oregon through education, regulation, and distilled spirits distribution. Our aim is to protect public health and safety while supporting responsible businesses and providing funding for local and state agencies.

