

Senate Bill 1111

Sponsored by Senator FREDERICK (at the request of Compassionate Oregon)

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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act changes the word "marijuana" to "cannabis" in all of state law and rule. (Flesch Readability Score: 75.1).

Changes the term "marijuana" to "cannabis" in Oregon law. Directs state agencies that refer to "marijuana" in agency rules to amend "marijuana" to "cannabis."

A BILL FOR AN ACT

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Relating to cannabis; creating new provisions; and amending ORS 90.243, 90.303, 90.398, 90.440, 105.121, 135.246, 135.893, 137.222, 137.226, 137.542, 144.086, 161.705, 163.547, 165.805, 166.270, 166.291, 166.715, 167.262, 180.405, 181A.195, 181A.640, 223.301, 307.455, 316.680, 317A.100, 323.500, 323.505, 327.008, 419A.015, 419A.265, 419A.300, 419A.305, 420.048, 430.384, 431A.196, 433.850, 471.001, 475.245, 475.525, 475A.225, 475A.250, 475A.400, 475A.477, 475C.001, 475C.009, 475C.013, 475C.017, 475C.021, 475C.025, 475C.029, 475C.037, 475C.049, 475C.057, 475C.065, 475C.069, 475C.073, 475C.077, 475C.081, 475C.085, 475C.089, 475C.093, 475C.097, 475C.101, 475C.105, 475C.109, 475C.113, 475C.117, 475C.121, 475C.125, 475C.129, 475C.133, 475C.137, 475C.141, 475C.145, 475C.149, 475C.153, 475C.161, 475C.169, 475C.177, 475C.181, 475C.185, 475C.201, 475C.205, 475C.209, 475C.213, 475C.217, 475C.221, 475C.229, 475C.233, 475C.237, 475C.241, 475C.245, 475C.249, 475C.253, 475C.257, 475C.265, 475C.269, 475C.273, 475C.289, 475C.297, 475C.301, 475C.305, 475C.309, 475C.313, 475C.317, 475C.321, 475C.325, 475C.329, 475C.333, 475C.337, 475C.341, 475C.345, 475C.349, 475C.353, 475C.365, 475C.369, 475C.373, 475C.377, 475C.379, 475C.389, 475C.397, 475C.409, 475C.417, 475C.421, 475C.441, 475C.445, 475C.449, 475C.453, 475C.457, 475C.459, 475C.469, 475C.473, 475C.477, 475C.481, 475C.489, 475C.493, 475C.497, 475C.501, 475C.505, 475C.513, 475C.521, 475C.523, 475C.529, 475C.531, 475C.533, 475C.535, 475C.540, 475C.544, 475C.548, 475C.560, 475C.564, 475C.586, 475C.590, 475C.600, 475C.604, 475C.608, 475C.612, 475C.616, 475C.620, 475C.624, 475C.632, 475C.644, 475C.670, 475C.674, 475C.678, 475C.682, 475C.688, 475C.692, 475C.706, 475C.710, 475C.718, 475C.726, 475C.728, 475C.730, 475C.734, 475C.738, 475C.742, 475C.770, 475C.773, 475C.777, 475C.780, 475C.783, 475C.786, 475C.792, 475C.794, 475C.795, 475C.797, 475C.798, 475C.800, 475C.803, 475C.806, 475C.809, 475C.812, 475C.815, 475C.821, 475C.824, 475C.827, 475C.833, 475C.840, 475C.843, 475C.847, 475C.850, 475C.853, 475C.856, 475C.859, 475C.862, 475C.865, 475C.868, 475C.871, 475C.874, 475C.877, 475C.880, 475C.883, 475C.886, 475C.889, 475C.891, 475C.892, 475C.894, 475C.897, 475C.903, 475C.910, 475C.916, 475C.930, 475C.939, 475C.945, 475C.950, 537.387, 571.306, 571.330, 571.336, 571.337, 571.339, 571.423, 659A.403, 659A.409, 689.557 and 811.482 and section 25, chapter 23, Oregon Laws 2016, section 8, chapter 103, Oregon Laws 2018, sections 2 and 3, chapter 464, Oregon Laws 2019, section 44, chapter 525, Oregon Laws 2021, and sections 1, 2, 11 and 19, chapter 16, Oregon Laws 2024.

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

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

2 **SECTION 1.** (1) A state agency that refers to “marijuana” in any rule of the agency shall
3 **amend the term “marijuana” to “cannabis.”**

4 (2)(a) The amendments to ORS 475C.297 by sections 103 and 104 of this 2025 Act are in-
5 **tended to change the name of the “Marijuana Control and Regulation Fund” to the “Cannabis**
6 **Control and Regulation Fund.”**

7 (b) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel
8 **may substitute for words designating the “Marijuana Control and Regulation Fund,” wher-**
9 **ever they occur in statutory law, other words designating the “Cannabis Control and Regu-**
10 **lation Fund.”**

11 (3)(a) The amendments to ORS 475C.531 by section 150 of this 2025 Act are intended to
12 **change the name of the “Illegal Marijuana Market Enforcement Grant Program” to the “Il-**
13 **legal Cannabis Market Enforcement Grant Program.”**

14 (b) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel
15 **may substitute for words designating the “Illegal Marijuana Market Enforcement Grant**
16 **Program,” wherever they occur in statutory law, other words designating the “Illegal**
17 **Cannabis Market Enforcement Grant Program.”**

18 (4)(a) The amendments to ORS 475C.535 by section 152 of this 2025 Act are intended to
19 **change the name of the “Illegal Marijuana Market Enforcement Grant Program Fund” to the**
20 **“Illegal Cannabis Market Enforcement Grant Program Fund.”**

21 (b) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel
22 **may substitute for words designating the “Illegal Marijuana Market Enforcement Grant**
23 **Program Fund,” wherever they occur in statutory law, other words designating the “Illegal**
24 **Cannabis Market Enforcement Grant Program Fund.”**

25 (5)(a) The amendments to ORS 475C.726 by section 179 of this 2025 Act are intended to
26 **change the name of the “Oregon Marijuana Account” to the “Oregon Cannabis Account.”**

27 (b) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel
28 **may substitute for words designating the “Oregon Marijuana Account,” wherever they occur**
29 **in statutory law, other words designating the “Oregon Cannabis Account.”**

30 (6)(a) The amendments to ORS 475C.773 by section 186 of this 2025 Act are intended to
31 **change the name of the “Oregon Medical Marijuana Act” to the “Oregon Medical Cannabis**
32 **Act.”**

33 (b) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel
34 **may substitute for words designating the “Oregon Medical Marijuana Act,” wherever they**
35 **occur in statutory law, other words designating the “Oregon Medical Cannabis Act.”**

36 **SECTION 2.** ORS 90.243 is amended to read:

37 90.243. (1) A dwelling unit qualifies as drug and alcohol free housing if:

38 (a)(A) For premises consisting of more than eight dwelling units, the dwelling unit is one of at
39 **least eight contiguous dwelling units on the premises that are designated by the landlord as drug**
40 **and alcohol free housing dwelling units and that are each occupied or held for occupancy by at least**
41 **one tenant who is a recovering alcoholic or drug addict and is participating in a program of re-**
42 **covery; or**

43 (B) For premises consisting of eight or fewer dwelling units, the dwelling unit is one of at least
44 **four contiguous dwelling units on the premises that are designated by the landlord as drug and al-**
45 **cohol free housing dwelling units and that are each occupied or held for occupancy by at least one**

1 tenant who is a recovering alcoholic or drug addict and is participating in a program of recovery;

2 (b) The landlord is a nonprofit corporation incorporated pursuant to ORS chapter 65 or a
3 housing authority created pursuant to ORS 456.055 to 456.235;

4 (c) The landlord provides for the designated drug and alcohol free housing dwelling units:

5 (A) A drug and alcohol free environment, covering all tenants, employees, staff, agents of the
6 landlord and guests;

7 (B) Monitoring of the tenants for compliance with the requirements described in paragraph (d)
8 of this subsection;

9 (C) Individual and group support for recovery; and

10 (D) Access to a specified program of recovery; and

11 (d) The rental agreement for the designated drug and alcohol free housing dwelling unit is in
12 writing and includes the following provisions:

13 (A) That the dwelling unit is designated by the landlord as a drug and alcohol free housing
14 dwelling unit;

15 (B) That the tenant may not use, possess or share alcohol, [*marijuana*] **cannabis** items as defined
16 in ORS 475C.009, illegal drugs, controlled substances or prescription drugs without a medical pre-
17 scription, either on or off the premises;

18 (C) That the tenant may not allow the tenant's guests to use, possess or share alcohol,
19 [*marijuana*] **cannabis** items as defined in ORS 475C.009, illegal drugs, controlled substances or pre-
20 scription drugs without a medical prescription, on the premises;

21 (D) That the tenant shall participate in a program of recovery, which specific program is de-
22 scribed in the rental agreement;

23 (E) That on at least a quarterly basis the tenant shall provide written verification from the
24 tenant's program of recovery that the tenant is participating in the program of recovery and that
25 the tenant has not used:

26 (i) Alcohol;

27 (ii) [*Marijuana*] **Cannabis** items as defined in ORS 475C.009; or

28 (iii) Illegal drugs;

29 (F) That the landlord has the right to require the tenant to take a test for drug or alcohol usage
30 promptly and at the landlord's discretion and expense; and

31 (G) That the landlord has the right to terminate the tenant's tenancy in the drug and alcohol
32 free housing under ORS 90.392, 90.398 or 90.630 for noncompliance with the requirements described
33 in this paragraph.

34 (2) A dwelling unit qualifies as drug and alcohol free housing despite the premises not having
35 the minimum number of qualified dwelling units required by subsection (1)(a) of this section if:

36 (a) The premises are occupied but have not previously qualified as drug and alcohol free hous-
37 ing;

38 (b) The landlord designates certain dwelling units on the premises as drug and alcohol free
39 dwelling units;

40 (c) The number of designated drug and alcohol free housing dwelling units meets the require-
41 ment of subsection (1)(a) of this section;

42 (d) When each designated dwelling unit becomes vacant, the landlord rents that dwelling unit
43 to, or holds that dwelling unit for occupancy by, at least one tenant who is a recovering alcoholic
44 or drug addict and is participating in a program of recovery and the landlord meets the other re-
45 quirements of subsection (1) of this section; and

(e) The dwelling unit is one of the designated drug and alcohol free housing dwelling units.

(3) The failure by a tenant to take a test for drug or alcohol usage as requested by the landlord pursuant to subsection (1)(d)(F) of this section may be considered evidence of drug or alcohol use.

(4) As used in this section, “program of recovery” means a verifiable program of counseling and rehabilitation treatment services, including a written plan, to assist recovering alcoholics or drug addicts to recover from their addiction to alcohol, cannabis or illegal drugs while living in drug and alcohol free housing. A “program of recovery” includes Alcoholics Anonymous, Narcotics Anonymous and similar programs.

SECTION 3. ORS 90.303 is amended to read:

90.303. (1) When evaluating an applicant, a landlord may not consider a previous action to recover possession pursuant to ORS 105.100 to 105.168 if the action:

(a) Was dismissed or resulted in a general judgment for the applicant before the applicant submits the application.

(b) Resulted in a general judgment against the applicant that was:

(A) Entered five or more years before the applicant submits the application; or

(B) Entered on claims that arose on or after April 1, 2020, and before March 1, 2022.

(2) When evaluating the applicant, a landlord may consider a previous arrest of the applicant only if the arrest resulted in charges for criminal conduct as described in subsection (3) of this section and:

(a) The applicant was convicted of the charges; or

(b) The charges are pending and the applicant is not presently participating in a diversion, conditional discharge or deferral of judgment program on the charges.

(3) When evaluating the applicant, the landlord may consider criminal convictions or pending charges only for conduct that is presently illegal in this state and is:

(a) A drug-related crime, but not including convictions based solely on the use or possession of *[marijuana]* **cannabis**;

(b) A person crime;

(c) A sex offense;

(d) A crime involving financial fraud, including identity theft and forgery; or

(e) Any other crime if the conduct for which the applicant was convicted or charged is of a nature that would adversely affect:

(A) Property of the landlord or a tenant; or

(B) The health, safety or right to peaceful enjoyment of the premises of residents, the landlord or the landlord’s agent.

(4) When evaluating an applicant, a landlord may not consider the possession of a medical *[marijuana]* **cannabis** card or status as a medical *[marijuana]* **cannabis** patient.

(5) When evaluating an applicant, a landlord may not consider an applicant’s unpaid rent, including rent reflected in judgments or referrals of debt to a collection agency, that accrued on or after April 1, 2020, and before March 1, 2022.

SECTION 4. ORS 90.303, as amended by section 10, chapter 39, Oregon Laws 2021, is amended to read:

90.303. (1) When evaluating an applicant, a landlord may not consider a previous action to recover possession pursuant to ORS 105.100 to 105.168 if the action:

(a) Was dismissed or resulted in a general judgment for the applicant before the applicant submits the application.

1 (b) Resulted in a general judgment against the applicant that was entered five or more years
 2 before the applicant submits the application.

3 (2) When evaluating the applicant, a landlord may consider a previous arrest of the applicant
 4 only if the arrest resulted in charges for criminal conduct as described in subsection (3) of this
 5 section and:

6 (a) The applicant was convicted of the charges; or

7 (b) The charges are pending and the applicant is not presently participating in a diversion,
 8 conditional discharge or deferral of judgment program on the charges.

9 (3) When evaluating the applicant, the landlord may consider criminal convictions or pending
 10 charges only for conduct that is presently illegal in this state and is:

11 (a) A drug-related crime, but not including convictions based solely on the use or possession of
 12 [*marijuana*] **cannabis**;

13 (b) A person crime;

14 (c) A sex offense;

15 (d) A crime involving financial fraud, including identity theft and forgery; or

16 (e) Any other crime if the conduct for which the applicant was convicted or charged is of a
 17 nature that would adversely affect:

18 (A) Property of the landlord or a tenant; or

19 (B) The health, safety or right to peaceful enjoyment of the premises of residents, the landlord
 20 or the landlord's agent.

21 (4) When evaluating an applicant, a landlord may not consider the possession of a medical
 22 [*marijuana*] **cannabis** card or status as a medical [*marijuana*] **cannabis** patient.

23 **SECTION 5.** ORS 90.398 is amended to read:

24 90.398. (1) If a tenant living for less than two years in drug and alcohol free housing uses, pos-
 25 sesses or shares alcohol, [*marijuana*] **cannabis** items as defined in ORS 475C.009, illegal drugs,
 26 controlled substances or prescription drugs without a medical prescription, the landlord may deliver
 27 a written notice to the tenant terminating the tenancy for cause and take possession as provided in
 28 ORS 105.100 to 105.168. The notice must specify the acts constituting the drug or alcohol violation
 29 and state that the rental agreement will terminate in not less than 48 hours after delivery of the
 30 notice, at a specified date and time. The notice must also state that the tenant can cure the drug
 31 or alcohol violation by a change in conduct or otherwise within 24 hours after delivery of the notice.

32 (2) If the tenant cures the violation within the 24-hour period, the rental agreement does not
 33 terminate. If the tenant does not cure the violation within the 24-hour period, the rental agreement
 34 terminates as provided in the notice.

35 (3) If substantially the same act that constituted a prior drug or alcohol violation of which no-
 36 tice was given reoccurs within six months, the landlord may terminate the rental agreement upon
 37 at least 24 hours' written notice specifying the violation and the date and time of termination of the
 38 rental agreement. The tenant does not have a right to cure this subsequent violation.

39 **SECTION 6.** ORS 90.440 is amended to read:

40 90.440. (1) As used in this section:

41 (a) **"Cannabis item" has the meaning given that term in ORS 475C.009.**

42 [(a)] (b) "Group recovery home" means a place that provides occupants with shared living fa-
 43 cilities and that meets the description of a group home under 42 U.S.C. 300x-25.

44 [(b)] (c) "Illegal drugs" includes controlled substances or prescription drugs:

45 (A) For which the tenant does not have a valid prescription; or

1 (B) That are used by the tenant in a manner contrary to the prescribed regimen.

2 [(c) "Marijuana item" has the meaning given that term in ORS 475C.009.]

3 (d) "Peace officer" means:

4 (A) A sheriff, constable, marshal or deputy;

5 (B) A member of a state or city police force;

6 (C) A police officer commissioned by a university under ORS 352.121 or 353.125; or

7 (D) An authorized tribal police officer as defined in ORS 181A.940.

8 (2)(a) Notwithstanding ORS 90.375 and 90.435, a group recovery home may terminate a tenancy
9 and peaceably remove a tenant without complying with ORS 105.100 to 105.168 if the tenant has
10 used or possessed alcohol, a [marijuana] **cannabis** item or illegal drugs within the preceding seven
11 days.

12 (b) For purposes of this subsection, the following are sufficient proof that a tenant has used or
13 possessed alcohol, a [marijuana] **cannabis** item or illegal drugs:

14 (A) The tenant fails a test for alcohol, cannabis or illegal drug use;

15 (B) The tenant refuses a request made in good faith by the group recovery home that the tenant
16 take a test for alcohol, cannabis or illegal drug use; or

17 (C) Any person has personally observed the tenant using or possessing alcohol, a [marijuana]
18 **cannabis** item or illegal drugs.

19 (3) A group recovery home that undertakes the removal of a tenant under this section shall
20 personally deliver to the tenant a written notice that:

21 (a) Describes why the tenant is being removed;

22 (b) Describes the proof that the tenant has used or possessed alcohol, a [marijuana] **cannabis**
23 item or illegal drugs within the seven days preceding delivery of the notice;

24 (c) Specifies the date and time by which the tenant must move out of the group recovery home;

25 (d) Explains that if the removal was wrongful or in bad faith the tenant may seek injunctive
26 relief to recover possession under ORS 105.121 and may bring an action to recover monetary dam-
27 ages; and

28 (e) Gives contact information for the local legal services office and for the Oregon State Bar's
29 Lawyer Referral Service, identifying those services as possible sources for free or reduced-cost legal
30 services.

31 (4) A written notice in substantially the following form meets the requirements of subsection (3)
32 of this section:

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35 This notice is to inform you that you must move out of _____ (insert address of group
36 recovery home) by _____ (insert date and time that is not less than 24 hours after delivery
37 of notice).

38 The reason for this notice is _____ (specify use or possession of alcohol, [marijuana]
39 **cannabis** or illegal drugs, as applicable, and dates of occurrence).

40 The proof of your use or possession is _____ (specify facts).

41 If you did not use or possess alcohol, [marijuana] **cannabis** or illegal drugs within the seven
42 days before delivery of this notice, if this notice was given in bad faith or if your group recovery
43 home has not substantially complied with ORS 90.440, you may be able to get a court to order the
44 group recovery home to let you move back in. You may also be able to recover monetary damages.

45 You may be eligible for free legal services at your local legal services office _____ (in-

1 sert telephone number) or reduced fee legal services through the Oregon State Bar at 1-800-452-7636.

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4 (5) Within the notice period, a group recovery home shall allow a tenant removed under this
5 section to follow any emergency departure plan that was prepared by the tenant and approved by
6 the group recovery home at the time the tenancy began. If the removed tenant does not have an
7 emergency departure plan, a representative of the group recovery home shall offer to take the re-
8 moved tenant to a public shelter, detoxification center or similar location if existing in the commu-
9 nity.

10 (6) The date and time for moving out specified in a notice under subsection (3) of this section
11 must be at least 24 hours after the date and time the notice is delivered to the tenant. If the tenant
12 remains on the group recovery home premises after the date and time for moving out specified in
13 the notice, the tenant is a person remaining unlawfully in a dwelling as described in ORS 164.255
14 and not a person described in ORS 105.115. Only a peace officer may forcibly remove a tenant who
15 remains on the group recovery home premises after the date and time specified for moving out.

16 (7) A group recovery home that removes a tenant under this section shall send a copy of the
17 notice described in subsection (3) of this section to the Oregon Health Authority no later than 72
18 hours after delivering the notice to the tenant.

19 (8) A tenant who is removed under subsection (2) of this section may obtain injunctive relief to
20 recover possession and may recover an amount equal to the greater of actual damages or three
21 times the tenant’s monthly rent if:

22 (a) The group recovery home removed the tenant in bad faith or without substantially complying
23 with this section; or

24 (b) If removal is under subsection (2)(b)(C) of this section, the removal was wrongful because the
25 tenant did not use or possess alcohol, a [*marijuana*] **cannabis** item or illegal drugs.

26 (9) Notwithstanding ORS 12.125, a tenant who seeks to obtain injunctive relief to recover pos-
27 session under ORS 105.121 must commence the action to seek relief not more than 90 days after the
28 date specified in the notice for the tenant to move out.

29 (10) In any court action regarding the removal of a tenant under this section, a group recovery
30 home may present evidence that the tenant used or possessed alcohol, a [*marijuana*] **cannabis** item
31 or illegal drugs within seven days preceding the removal, whether or not the evidence was described
32 in the notice required by subsection (3) of this section.

33 (11) This section does not prevent a group recovery home from terminating a tenancy as pro-
34 vided by any other provision of this chapter and evicting a tenant as provided in ORS 105.100 to
35 105.168.

36 **SECTION 7.** ORS 105.121 is amended to read:

37 105.121. (1) A former tenant removed from a group recovery home under ORS 90.440 may bring
38 an action for injunctive relief to recover possession if the removal was wrongful or in bad faith.

39 (2) An action under this section shall be governed by the provisions of ORS 105.100 to 105.168
40 except that:

41 (a) The complaint shall be in substantially the following form and shall be available from the
42 court clerk:

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45 IN THE _____ COURT FOR

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THE COUNTY OF _____

(Tenant),)
Plaintiff(s),)
vs.) No. _____
(Landlord),)
Defendant(s).)

COMPLAINT FOR RETURN
OF POSSESSION OF A
DWELLING UNIT IN A
GROUP RECOVERY HOME

I

Defendant is a group recovery home subject to ORS 90.440. Defendant removed plaintiff from the group recovery home dwelling unit rented by plaintiff from defendant at:

_____ (street and number)

_____ (city)

_____ (county)

II

Notice of removal from the dwelling unit was served on plaintiff under ORS 90.440. The notice of removal was served on:

_____ (date)

III

Plaintiff is entitled to possession of the dwelling unit because:

_____ Defendant removed plaintiff wrongfully by failing to comply with the procedural requirements of ORS 90.440.

_____ Defendant removed plaintiff wrongfully because plaintiff did not use or possess alcohol, [*marijuana*] **cannabis** or illegal drugs within seven days preceding delivery of a written notice of removal.

_____ Defendant removed plaintiff under ORS 90.440 in bad faith.

Wherefore, plaintiff prays for possession of the group recovery home dwelling unit and costs and disbursements incurred herein.

_____)
Date Signature of plaintiff

(b) The complaint shall be signed by the plaintiff or an attorney representing the plaintiff as provided by ORCP 17 and served by personal delivery on the group recovery home house president or a person in an equivalent leadership position for the group recovery home.

(c) The answer shall be in substantially the following form and shall be available from the court clerk:

IN THE _____ COURT FOR
THE COUNTY OF _____

(Tenant),)
)
Plaintiff(s),)
)
vs.) No. _____
)
(Landlord),)
)
Defendant(s).)

ANSWER

We deny that the plaintiff is entitled to possession of the group recovery home dwelling unit that is the subject of the complaint because:

_____ The defendant removed the plaintiff in compliance with the procedural requirements of ORS 90.440.

_____ The plaintiff used or possessed alcohol, [*marijuana*] **cannabis** or illegal drugs as described in ORS 90.440 within seven days preceding delivery of a written notice of removal.

_____ The defendant did not remove the plaintiff in bad faith as alleged.

We ask that the plaintiff take nothing by the complaint and that we be awarded our costs and disbursements.

Date Signature of defendant

(d) The issue at trial shall be limited to whether the plaintiff is entitled to possession of the dwelling unit described in the complaint.

(e) If the basis for the complaint is that removal was wrongful because the plaintiff did not use or possess alcohol, [*marijuana*] **cannabis** or illegal drugs, the defendant has the burden of proving that the plaintiff used or possessed alcohol, [*marijuana*] **cannabis** or illegal drugs as described in ORS 90.440 within seven days preceding delivery of the written notice of removal.

(f) A claim for damages may not be asserted by either party in the action for possession of the dwelling unit under this section, but each party may pursue any claim for damages in a separate

1 action.

2 (g) A party may join an action for possession of the dwelling unit with an action for damages
3 or a claim for other relief, but the proceeding is not governed by the provisions of ORS 105.100 to
4 105.168.

5 (h) If the court determines that the plaintiff is entitled to possession of the dwelling unit that
6 is the subject of the complaint, the court shall enter an order directing the defendant to return
7 possession of the dwelling unit to the plaintiff. The court may provide that the defendant have a
8 period of time to deliver possession of the dwelling unit to the plaintiff.

9 (i) Subject to the provisions of ORCP 68, a prevailing party who has been represented by counsel
10 may recover attorney fees as provided by ORS 90.255.

11 **SECTION 8.** ORS 135.246 is amended to read:

12 135.246. (1) As used in this section, “cannabinoid concentrate,” “cannabinoid extract,” “medical
13 cannabinoid product,” “registry identification card” and “usable [*marijuana*] **cannabis**” have the
14 meanings given those terms in ORS 475C.777.

15 (2) If a person who holds a registry identification card is released under ORS 135.230 to 135.290,
16 any release conditions related to the use of usable [*marijuana*] **cannabis**, medical cannabinoid pro-
17 ducts, cannabinoid concentrates or cannabinoid extracts must be imposed in the same manner as
18 would be imposed release conditions related to prescription drugs.

19 **SECTION 9.** ORS 135.893 is amended to read:

20 135.893. (1) As used in this section, “cannabinoid concentrate,” “cannabinoid extract,” “medical
21 cannabinoid product,” “registry identification card” and “usable [*marijuana*] **cannabis**” have the
22 meanings given those terms in ORS 475C.777.

23 (2) For a person who holds a registry identification card who is subject to a diversion agreement
24 under ORS 135.891, the diversion conditions related to the use of usable [*marijuana*] **cannabis**,
25 medical cannabinoid products, cannabinoid concentrates or cannabinoid extracts must be imposed
26 in the same manner as the diversion conditions related to prescription drugs.

27 **SECTION 10.** ORS 137.222 is amended to read:

28 137.222. (1)(a) Notwithstanding ORS 161.525, a person by motion may request the court to reduce
29 the offense classification of a [*marijuana*] **cannabis** conviction as provided in this section.

30 (b) A [*marijuana*] **cannabis** conviction is eligible for reduction under this section if, since entry
31 of judgment of conviction, the [*marijuana*] **cannabis** offense has been:

32 (A) Reduced from a felony to a misdemeanor;

33 (B) Reduced from a higher level felony to a lower level felony;

34 (C) Reduced from a higher level misdemeanor to a lower level misdemeanor; or

35 (D) Reduced from a crime to a violation.

36 (2) A person filing a motion under this section is not required to pay the filing fee established
37 under ORS 21.135 or any other fee.

38 (3)(a) At the time of filing the motion, the person shall serve a copy of the motion upon the of-
39 fice of the prosecuting attorney of the jurisdiction in which the judgment of conviction was entered.

40 (b) The prosecuting attorney, within 30 days after the filing of the motion under paragraph (a)
41 of this subsection, may file an objection to granting the motion only on the basis that:

42 (A) The person’s conviction is not eligible for reduction under this section; or

43 (B) The person has not completed and fully complied with or performed the sentence of the
44 court.

45 (4) If no objection from the prosecuting attorney is received by the court within 30 days after

1 the filing of the motion, the court shall grant the motion and proceed as provided in subsection (6)
 2 of this section if the conviction is eligible for reduction under this section and the court determines
 3 that the person has completed and fully complied with or performed the sentence of the court.

4 (5)(a) If the court receives an objection from the prosecuting attorney, the court shall hold a
 5 hearing.

6 (b) At the hearing, the person has the burden of establishing, by a preponderance of the evi-
 7 dence, that:

8 (A) The conviction is eligible for reduction under this section; and

9 (B) The person completed and fully complied with or performed the sentence of the court.

10 (c) If, at the hearing, the court determines that the conviction is eligible for reduction under this
 11 section and the person completed and fully complied with or performed the sentence of the court,
 12 the court shall grant the motion and proceed as provided in subsection (6) of this section.

13 (6) Upon granting a motion under this section, the court shall enter an amended judgment of
 14 conviction at the appropriate offense level.

15 **SECTION 11.** ORS 137.226 is amended to read:

16 137.226. (1) Notwithstanding ORS 137.225 (1)(a), a defendant is eligible for an order setting aside
 17 a conviction for a criminal offense in which possession, delivery or manufacture of [*marijuana*]
 18 **cannabis** or a [*marijuana*] **cannabis** item as defined in ORS 475C.009 is an element after one year
 19 has elapsed from the date of entry of judgment of conviction if:

20 (a) The defendant was under 21 years of age at the time of the conviction;

21 (b) The defendant has not been convicted of any other offense, excluding motor vehicle vio-
 22 lations; and

23 (c) The defendant has fully complied with and performed the sentence of the court.

24 (2) When a person is convicted of an offense involving possession, delivery or manufacture of
 25 [*marijuana*] **cannabis** or a [*marijuana*] **cannabis** item as defined in ORS 475C.009, and when the
 26 conduct that is the basis of the conviction occurred before April 21, 2017, the convicted person may
 27 file a motion for a court order setting aside the conviction pursuant to ORS 137.225, and the court,
 28 when determining whether the person is eligible for the order, shall consider the offense to be
 29 classified under ORS 161.535 or 161.555 as if the conduct occurred on or after April 21, 2017, or, if
 30 the offense is no longer a crime, shall consider the offense to be classified as a Class C misdemeanor.

31 **SECTION 12.** ORS 137.542 is amended to read:

32 137.542. (1) As used in this section, “cannabinoid concentrate,” “cannabinoid extract,” “medical
 33 cannabinoid product,” “registry identification card” and “usable [*marijuana*] **cannabis**” have the
 34 meanings given those terms in ORS 475C.777.

35 (2) Notwithstanding ORS 137.540, if a person who holds a registry identification card is sen-
 36 tenced to probation, supervision conditions related to the use of usable [*marijuana*] **cannabis**, med-
 37 ical cannabinoid products, cannabinoid concentrates or cannabinoid extracts must be imposed in the
 38 same manner as the court would impose supervision conditions related to prescription drugs.

39 **SECTION 13.** ORS 144.086 is amended to read:

40 144.086. (1) As used in this section, “cannabinoid concentrate,” “cannabinoid extract,” “medical
 41 cannabinoid product,” “registry identification card” and “usable [*marijuana*] **cannabis**” have the
 42 meanings given those terms in ORS 475C.777.

43 (2) Notwithstanding ORS 144.102 and 144.270, if a person who holds a registry identification card
 44 is released on post-prison supervision or parole, the supervision conditions related to the use of us-
 45 able [*marijuana*] **cannabis**, medical cannabinoid products, cannabinoid concentrates or cannabinoid

1 extracts must be imposed in the same manner as supervision conditions related to prescription
2 drugs.

3 **SECTION 14.** ORS 161.705 is amended to read:

4 161.705. (1) Notwithstanding ORS 161.525, the court may enter judgment of conviction for a
5 Class A misdemeanor and make disposition accordingly when:

6 (a)(A) A person is convicted of any Class C felony; or

7 (B) A person convicted of a Class C felony, of possession or delivery of [*marijuana*] **cannabis**
8 or a [*marijuana*] **cannabis** item as defined in ORS 475C.009 constituting a Class B felony, of pos-
9 session of a controlled substance constituting a Class B felony or of a Class A felony pursuant to
10 ORS 166.720, has successfully completed a sentence of probation; and

11 (b) The court, considering the nature and circumstances of the crime and the history and char-
12 acter of the defendant, believes that a felony conviction would be unduly harsh.

13 (2) The entry of judgment of conviction for a Class A misdemeanor under this section may be
14 made:

15 (a) At the time of conviction, for offenses described in subsection (1)(a)(A) of this section; or

16 (b) At any time after the sentence of probation has been completed, for offenses described in
17 subsection (1)(a)(B) of this section.

18 **SECTION 15.** ORS 163.547 is amended to read:

19 163.547. (1)(a) A person having custody or control of a child under 16 years of age commits the
20 crime of child neglect in the first degree if the person knowingly leaves the child, or allows the child
21 to stay:

22 (A) In a vehicle where controlled substances or cannabinoid extracts as defined in ORS 475C.009
23 are being criminally delivered or manufactured;

24 (B) In or upon premises, or in the immediate proximity of premises, where a cannabinoid extract
25 as defined in ORS 475C.009 is being processed, if the premises have not been licensed under ORS
26 475C.085;

27 (C) In or upon premises and in the immediate proximity where controlled substances are
28 criminally delivered or manufactured for consideration or profit or where a chemical reaction in-
29 volving one or more precursor substances:

30 (i) Is occurring as part of unlawfully manufacturing a controlled substance or grinding, soaking
31 or otherwise breaking down a precursor substance for the unlawful manufacture of a controlled
32 substance; or

33 (ii) Has occurred as part of unlawfully manufacturing a controlled substance or grinding, soak-
34 ing or otherwise breaking down a precursor substance for the unlawful manufacture of a controlled
35 substance and the premises have not been certified as fit for use under ORS 453.885; or

36 (D) In or upon premises that have been determined to be not fit for use under ORS 453.855 to
37 453.912.

38 (b) As used in this subsection, "vehicle" and "premises" do not include public places, as defined
39 in ORS 161.015.

40 (2) Child neglect in the first degree is a Class B felony.

41 (3) Subsection (1) of this section does not apply if the controlled substance is [*marijuana*]
42 **cannabis** and is delivered for no consideration.

43 (4) The Oregon Criminal Justice Commission shall classify child neglect in the first degree as
44 crime category 6 of the sentencing guidelines grid of the commission if the controlled substance
45 being delivered or manufactured is methamphetamine.

SECTION 16. ORS 165.805 is amended to read:

165.805. (1) A person commits the crime of misrepresentation of age by a minor if:

(a) Being less than a certain, specified age, the person knowingly purports to be of any age other than the true age of the person with the intent of securing a right, benefit or privilege which by law is denied to persons under that certain, specified age; or

(b) Being unmarried, the person knowingly represents that the person is married with the intent of securing a right, benefit or privilege which by law is denied to unmarried persons.

(2) Misrepresentation of age by a minor is a Class C misdemeanor.

(3)(a) In addition to and not in lieu of any other penalty established by law, if a person, using a driver permit or license or other identification issued by the Department of Transportation of this state or its equivalent in another state, commits the crime of misrepresentation of age by a minor in order to purchase or consume alcoholic liquor or cannabis:

(A) The person may be required to perform community service; and

(B) The court may order that the person's driving privileges and right to apply for driving privileges be suspended for a period not to exceed one year upon:

(i) The person's second or subsequent conviction or adjudication for an offense described in this paragraph;

(ii) The person's first conviction or adjudication if the person has previously entered into a formal accountability agreement under ORS 419C.230 for an offense described in this paragraph; or

(iii) The person's first conviction or adjudication if the offense involved the operation of a motor vehicle.

(b) If a court has issued an order suspending driving privileges under this section, the court, upon petition of the person, may withdraw the order at any time the court deems appropriate. The court notification to the department under this subsection may include a recommendation that the person be granted a hardship permit under ORS 807.240 if the person is otherwise eligible for the permit.

(4) The prohibitions of this section do not apply to any person acting under the direction of the Oregon Liquor and Cannabis Commission or a regulatory specialist or under the direction of state or local law enforcement agencies for the purpose of investigating possible violations of laws prohibiting sales of alcoholic beverages or [*marijuana*] **cannabis** items, as defined in ORS 475C.009, to persons who are under a certain, specified age.

(5) The prohibitions of this section do not apply to a person under the age of 21 years who is acting under the direction of a licensee for the purpose of investigating possible violations by employees of the licensee of laws prohibiting sales of alcoholic beverages or [*marijuana*] **cannabis** items, as defined in ORS 475C.009, to persons who are under the age of 21 years.

SECTION 17. ORS 166.270 is amended to read:

166.270. (1) Any person who has been convicted of a felony under the law of this state or any other state, or who has been convicted of a felony under the laws of the Government of the United States, who owns or has in the person's possession or under the person's custody or control any firearm commits the crime of felon in possession of a firearm.

(2) Any person who has been convicted of a felony under the law of this state or any other state, or who has been convicted of a felony under the laws of the Government of the United States, who owns or has in the person's possession or under the person's custody or control any instrument or weapon having a blade that projects or swings into position by force of a spring or by centrifugal force or any blackjack, slungshot, sandclub, sandbag, sap glove, metal knuckles or an Electro-

1 Muscular Disruption Technology device as defined in ORS 165.540, or who carries a dirk, dagger
2 or stiletto, commits the crime of felon in possession of a restricted weapon.

3 (3) For the purposes of this section, a person “has been convicted of a felony” if, at the time
4 of conviction for an offense, that offense was a felony under the law of the jurisdiction in which it
5 was committed. Such conviction shall not be deemed a conviction of a felony if:

6 (a) The court declared the conviction to be a misdemeanor at the time of judgment; or

7 (b) The offense was possession of [*marijuana*] **cannabis** and the conviction was prior to January
8 1, 1972.

9 (4) Subsection (1) of this section does not apply to any person who has been:

10 (a) Convicted of only one felony under the law of this state or any other state, or who has been
11 convicted of only one felony under the laws of the United States, which felony did not involve
12 criminal homicide, as defined in ORS 163.005, or the possession or use of a firearm or a weapon
13 having a blade that projects or swings into position by force of a spring or by centrifugal force, and
14 who has been discharged from imprisonment, parole or probation for said offense for a period of 15
15 years prior to the date of alleged violation of subsection (1) of this section; or

16 (b) Granted relief from the disability under 18 U.S.C. 925(c) or ORS 166.274 or has had the
17 person’s record expunged under the laws of this state or equivalent laws of another jurisdiction.

18 (5) Felon in possession of a firearm is a Class C felony. Felon in possession of a restricted
19 weapon is a Class A misdemeanor.

20 **SECTION 18.** ORS 166.291 is amended to read:

21 166.291. (1) The sheriff of a county, upon a person’s application for an Oregon concealed
22 handgun license, upon receipt of the appropriate fees and after compliance with the procedures set
23 out in this section, shall issue the person a concealed handgun license if the person:

24 (a)(A) Is a citizen of the United States; or

25 (B) Is a legal resident noncitizen who can document continuous residency in the county for at
26 least six months and has declared in writing to the United States Citizenship and Immigration Ser-
27 vices the intent to acquire citizenship status and can present proof of the written declaration to the
28 sheriff at the time of application for the license;

29 (b) Is at least 21 years of age;

30 (c) Is a resident of the county;

31 (d) Has no outstanding warrants for arrest;

32 (e) Is not free on any form of pretrial release;

33 (f) Demonstrates competence with a handgun by any one of the following:

34 (A) Completion of any hunter education or hunter safety course approved by the State Depart-
35 ment of Fish and Wildlife or a similar agency of another state if handgun safety was a component
36 of the course;

37 (B) Completion of any National Rifle Association firearms safety or training course if handgun
38 safety was a component of the course;

39 (C) Completion of any firearms safety or training course or class available to the general public
40 offered by law enforcement, community college, or private or public institution or organization or
41 firearms training school utilizing instructors certified by the National Rifle Association or a law
42 enforcement agency if handgun safety was a component of the course;

43 (D) Completion of any law enforcement firearms safety or training course or class offered for
44 security guards, investigators, reserve law enforcement officers or any other law enforcement offi-
45 cers if handgun safety was a component of the course;

1 (E) Presents evidence of equivalent experience with a handgun through participation in organ-
 2 ized shooting competition or military service;

3 (F) Is licensed or has been licensed to carry a firearm in this state, unless the license has been
 4 revoked; or

5 (G) Completion of any firearms training or safety course or class conducted by a firearms in-
 6 structor certified by a law enforcement agency or the National Rifle Association if handgun safety
 7 was a component of the course;

8 (g) Has never been convicted of a felony or found guilty, except for insanity under ORS 161.295,
 9 of a felony;

10 (h) Has not been convicted of a misdemeanor or found guilty, except for insanity under ORS
 11 161.295, of a misdemeanor within the four years prior to the application, including a misdemeanor
 12 conviction for the possession of [*marijuana*] **cannabis** as described in paragraph (L) of this sub-
 13 section;

14 (i) Has not been committed to the Oregon Health Authority under ORS 426.130;

15 (j) Has not been found to be a person with mental illness and is not subject to an order under
 16 ORS 426.130 that the person be prohibited from purchasing or possessing a firearm as a result of
 17 that mental illness;

18 (k) Has been discharged from the jurisdiction of the juvenile court for more than four years if,
 19 while a minor, the person was found to be within the jurisdiction of the juvenile court for having
 20 committed an act that, if committed by an adult, would constitute a felony or a misdemeanor in-
 21 volving violence, as defined in ORS 166.470;

22 (L) Has not been convicted of an offense involving controlled substances or participated in a
 23 court-supervised drug diversion program, except this disability does not operate to exclude a person
 24 if:

25 (A) The person can demonstrate that the person has been convicted only once of a [*marijuana*]
 26 **cannabis** possession offense that constituted a misdemeanor or violation under the law of the ju-
 27 risdiction of the offense, and has not completed a drug diversion program for a [*marijuana*] **cannabis**
 28 possession offense that constituted a misdemeanor or violation under the law of the jurisdiction of
 29 the offense; or

30 (B) The person can demonstrate that the person has only once completed a drug diversion pro-
 31 gram for a [*marijuana*] **cannabis** possession offense that constituted a misdemeanor or violation
 32 under the law of the jurisdiction of the offense, and has not been convicted of a [*marijuana*]
 33 **cannabis** possession offense that constituted a misdemeanor or violation under the law of the ju-
 34 risdiction of the offense;

35 (m) Is not subject to a citation issued under ORS 163.735 or an order issued under ORS 30.866,
 36 107.700 to 107.735 or 163.738;

37 (n) Has not received a dishonorable discharge from the Armed Forces of the United States;

38 (o) Is not required to register as a sex offender in any state; and

39 (p) Is not presently subject to an order under ORS 426.133 prohibiting the person from pur-
 40 chasing or possessing a firearm.

41 (2) A person who has been granted relief under ORS 166.273, 166.274 or 166.293 or 18 U.S.C.
 42 925(c) or has had the person's record expunged under the laws of this state or equivalent laws of
 43 other jurisdictions is not subject to the disabilities in subsection (1)(g) to (L) of this section.

44 (3) Before the sheriff may issue a license:

45 (a) The application must state the applicant's legal name, current address and telephone number,

1 date and place of birth, hair and eye color and height and weight. The application must also list the
 2 applicant's residence address or addresses for the previous three years. The application must contain
 3 a statement by the applicant that the applicant meets the requirements of subsection (1) of this
 4 section. The application may include the Social Security number of the applicant if the applicant
 5 voluntarily provides this number. The application must be signed by the applicant.

6 (b) The applicant must submit to fingerprinting and photographing by the sheriff. The sheriff
 7 shall fingerprint and photograph the applicant and shall conduct any investigation necessary to
 8 corroborate the requirements listed under subsection (1) of this section. If a nationwide criminal
 9 records check is necessary, the sheriff shall request the Department of State Police to conduct the
 10 check, including fingerprint identification, through the Federal Bureau of Investigation. The Federal
 11 Bureau of Investigation shall return the fingerprint cards used to conduct the criminal records
 12 check and may not keep any record of the fingerprints. The Department of State Police shall report
 13 the results of the fingerprint-based criminal records check to the sheriff. The Department of State
 14 Police shall also furnish the sheriff with any information about the applicant that the Department
 15 of State Police may have in its possession including, but not limited to, manual or computerized
 16 criminal offender information.

17 (4) Application forms for concealed handgun licenses shall be supplied by the sheriff upon re-
 18 quest. The forms shall be uniform throughout this state in substantially the following form:

21 APPLICATION FOR LICENSE TO CARRY
 22 CONCEALED HANDGUN

23 Date_____

24 I hereby declare as follows:

25 I am a citizen of the United States or a legal resident noncitizen who can document continuous
 26 residency in the county for at least six months and have declared in writing to the United States
 27 Citizenship and Immigration Services my intention to become a citizen and can present proof of the
 28 written declaration to the sheriff at the time of this application. I am at least 21 years of age. I have
 29 been discharged from the jurisdiction of the juvenile court for more than four years if, while a mi-
 30 nor, I was found to be within the jurisdiction of the juvenile court for having committed an act that,
 31 if committed by an adult, would constitute a felony or a misdemeanor involving violence, as defined
 32 in ORS 166.470. I have never been convicted of a felony or found guilty, except for insanity under
 33 ORS 161.295, of a felony in the State of Oregon or elsewhere. I have not, within the last four years,
 34 been convicted of a misdemeanor or found guilty, except for insanity under ORS 161.295, of a
 35 misdemeanor. Except as provided in ORS 166.291 (1)(L), I have not been convicted of an offense in-
 36 volving controlled substances or completed a court-supervised drug diversion program. There are
 37 no outstanding warrants for my arrest and I am not free on any form of pretrial release. I have not
 38 been committed to the Oregon Health Authority under ORS 426.130, nor have I been found to be a
 39 person with mental illness and presently subject to an order prohibiting me from purchasing or
 40 possessing a firearm because of mental illness. I am not under a court order to participate in as-
 41 sisted outpatient treatment that includes an order prohibiting me from purchasing or possessing a
 42 firearm. If any of the previous conditions do apply to me, I have been granted relief or wish to pe-
 43 tition for relief from the disability under ORS 166.273, 166.274 or 166.293 or 18 U.S.C. 925(c) or have
 44 had the records expunged. I am not subject to a citation issued under ORS 163.735 or an order is-
 45 sued under ORS 30.866, 107.700 to 107.735 or 163.738. I have never received a dishonorable discharge

1 from the Armed Forces of the United States. I am not required to register as a sex offender in any
2 state. I understand I will be fingerprinted and photographed.

3
4 Legal name _____
5 Age _____ Date of birth _____
6 Place of birth _____
7 Social Security number _____

8 (Disclosure of your Social Security account number is voluntary. Solicitation of the number is au-
9 thorized under ORS 166.291. It will be used only as a means of identification.)

10
11 Proof of identification (Two pieces of current identification are required, one of which must bear a
12 photograph of the applicant. The type of identification and the number on the identification are to
13 be filled in by the sheriff.):

- 14 1. _____
- 15 2. _____

16
17 Height _____ Weight _____
18 Hair color _____ Eye color _____

19
20 Current address _____

(List residence addresses for the
past three years on the back.)

21
22
23
24 City _____ County _____ Zip _____
25 Phone _____

26
27 I have read the entire text of this application, and the statements therein are correct and true.
28 (Making false statements on this application is a misdemeanor.)

29 _____
30 (Signature of Applicant)

31
32 Character references.

33 _____

Name:	Address

Name:	Address

34
35
36
37
38 Approved _____ Disapproved _____ by _____

39
40 Competence with handgun demonstrated by _____ (to be filled in by sheriff)

41 Date _____ Fee Paid _____

42 License No. _____

43 _____
44
45 (5)(a) Fees for concealed handgun licenses are:

1 (A) \$15 to the Department of State Police for conducting the fingerprint check of the applicant.

2 (B) \$100 to the sheriff for the initial issuance of a concealed handgun license.

3 (C) \$75 to the sheriff for the renewal of a concealed handgun license.

4 (D) \$15 to the sheriff for the duplication of a license because of loss or change of address.

5 (b) The sheriff may enter into an agreement with the Department of Transportation to produce
6 the concealed handgun license.

7 (6) No civil or criminal liability shall attach to the sheriff or any authorized representative en-
8 gaged in the receipt and review of, or an investigation connected with, any application for, or in the
9 issuance, denial or revocation of, any license under ORS 166.291 to 166.295 as a result of the lawful
10 performance of duties under those sections.

11 (7) Immediately upon acceptance of an application for a concealed handgun license, the sheriff
12 shall enter the applicant's name into the Law Enforcement Data System indicating that the person
13 is an applicant for a concealed handgun license or is a license holder.

14 (8) The county sheriff may waive the residency requirement in subsection (1)(c) of this section
15 for a resident of a contiguous state who has a compelling business interest or other legitimate
16 demonstrated need.

17 (9) For purposes of subsection (1)(c) of this section, a person is a resident of a county if the
18 person:

19 (a) Has a current Oregon driver license issued to the person showing a residence address in the
20 county;

21 (b) Is registered to vote in the county and has a voter notification card issued to the person
22 under ORS 247.181 showing a residence address in the county;

23 (c) Has documentation showing that the person currently leases or owns real property in the
24 county; or

25 (d) Has documentation showing that the person filed an Oregon tax return for the most recent
26 tax year showing a residence address in the county.

27 (10) As used in this section, "drug diversion program" means a program in which a defendant
28 charged with a [*marijuana*] **cannabis** possession offense completes a program under court super-
29 vision and in which the [*marijuana*] **cannabis** possession offense is dismissed upon successful com-
30 pletion of the diversion program.

31 **SECTION 19.** ORS 166.715 is amended to read:

32 166.715. As used in ORS 166.715 to 166.735, unless the context requires otherwise:

33 (1) "Documentary material" means any book, paper, document, writing, drawing, graph, chart,
34 photograph, phonograph record, magnetic tape, computer printout, other data compilation from
35 which information can be obtained or from which information can be translated into usable form,
36 or other tangible item.

37 (2) "Enterprise" includes any individual, sole proprietorship, partnership, corporation, business
38 trust or other profit or nonprofit legal entity, and includes any union, association or group of indi-
39 viduals associated in fact although not a legal entity, and both illicit and licit enterprises and gov-
40 ernmental and nongovernmental entities.

41 (3) "Investigative agency" means the Department of Justice or any district attorney.

42 (4) "Pattern of racketeering activity" means engaging in at least two incidents of racketeering
43 activity that have the same or similar intents, results, accomplices, victims or methods of commis-
44 sion or otherwise are interrelated by distinguishing characteristics, including a nexus to the same
45 enterprise, and are not isolated incidents, provided at least one of such incidents occurred after

1 November 1, 1981, and that the last of such incidents occurred within five years after a prior inci-
2 dent of racketeering activity. Notwithstanding ORS 131.505 to 131.525 or 419A.190 or any other
3 provision of law providing that a previous prosecution is a bar to a subsequent prosecution, conduct
4 that constitutes an incident of racketeering activity may be used to establish a pattern of
5 racketeering activity without regard to whether the conduct previously has been the subject of a
6 criminal prosecution or conviction or a juvenile court adjudication, unless the prosecution resulted
7 in an acquittal or the adjudication resulted in entry of an order finding the youth not to be within
8 the jurisdiction of the juvenile court.

9 (5) "Person" means any individual or entity capable of holding a legal or beneficial interest in
10 real or personal property.

11 (6) "Racketeering activity" includes conduct of a person committed both before and after the
12 person attains the age of 18 years, and means to commit, to attempt to commit, to conspire to
13 commit, or to solicit, coerce or intimidate another person to commit:

14 (a) Any conduct that constitutes a crime, as defined in ORS 161.515, under any of the following
15 provisions of the Oregon Revised Statutes:

16 (A) ORS 59.005 to 59.505, 59.710 to 59.830, 59.991 and 59.995, relating to securities;

17 (B) ORS 162.015, 162.025 and 162.065 to 162.085, relating to bribery and perjury;

18 (C) ORS 162.235, 162.265 to 162.305, 162.325, 162.335, 162.355 and 162.365, relating to obstructing
19 governmental administration;

20 (D) ORS 162.405 to 162.425, relating to abuse of public office;

21 (E) ORS 162.455, relating to interference with legislative operation;

22 (F) ORS 163.095 to 163.115, 163.118, 163.125 and 163.145, relating to criminal homicide;

23 (G) ORS 163.160 to 163.205, relating to assault and related offenses;

24 (H) ORS 163.225 and 163.235, relating to kidnapping;

25 (I) ORS 163.275, relating to coercion;

26 (J) ORS 163.665 to 163.693, relating to sexual conduct of children;

27 (K) ORS 164.015, 164.043, 164.045, 164.055, 164.057, 164.075 to 164.095, 164.098, 164.125, 164.135,
28 164.140, 164.215, 164.225 and 164.245 to 164.270, relating to theft, burglary, criminal trespass and
29 related offenses;

30 (L) ORS 164.315 to 164.335, relating to arson and related offenses;

31 (M) ORS 164.345 to 164.365, relating to criminal mischief;

32 (N) ORS 164.395 to 164.415, relating to robbery;

33 (O) ORS 164.865, 164.875 and 164.868 to 164.872, relating to unlawful recording or labeling of a
34 recording;

35 (P) ORS 165.007 to 165.022, 165.032 to 165.042 and 165.055 to 165.070, relating to forgery and
36 related offenses;

37 (Q) ORS 165.080 to 165.109, relating to business and commercial offenses;

38 (R) ORS 165.540 and 165.555, relating to communication crimes;

39 (S) ORS 166.180, 166.190, 166.220, 166.250, 166.270, 166.275, 166.410, 166.450 and 166.470, relating
40 to firearms and other weapons;

41 (T) ORS 164.377 (2) to (4), as punishable under ORS 164.377 (5)(b), 167.007 to 167.017, 167.057,
42 167.062 to 167.080, 167.090, 167.122 to 167.137, 167.147, 167.164, 167.167, 167.212, 167.355, 167.365,
43 167.370, 167.428, 167.431 and 167.439, relating to prostitution, obscenity, sexual conduct, gambling,
44 computer crimes involving the Oregon State Lottery, animal fighting, forcible recovery of a fighting
45 bird and related offenses;

- 1 (U) ORS 171.990, relating to legislative witnesses;
- 2 (V) ORS 260.575 and 260.665, relating to election offenses;
- 3 (W) ORS 314.075, relating to income tax;
- 4 (X) ORS 180.440 (2) and 180.486 (2) and ORS chapter 323, relating to cigarette and tobacco
- 5 products taxes and the directories developed under ORS 180.425 and 180.477;
- 6 (Y) ORS 411.630, 411.675, 411.690 and 411.840, relating to public assistance payments or medical
- 7 assistance benefits, and ORS 411.990 (2) and (3);
- 8 (Z) ORS 462.140, 462.415 and 462.420 to 462.520, relating to racing;
- 9 (AA) ORS 463.995, relating to entertainment wrestling and unarmed combat sports, as defined
- 10 in ORS 463.015;
- 11 (BB) ORS 471.305, 471.360, 471.392 to 471.400, 471.403, 471.404, 471.405, 471.425, 471.442, 471.445,
- 12 471.446, 471.485, 471.490 and 471.675, relating to alcoholic liquor, and any of the provisions of ORS
- 13 chapter 471 relating to licenses issued under the Liquor Control Act;
- 14 (CC) ORS 475C.005 to 475C.525, relating to [*marijuana*] **cannabis** items as defined in ORS
- 15 475C.009;
- 16 (DD) ORS 475.005 to 475.285 and 475.752 to 475.980, relating to controlled substances;
- 17 (EE) ORS 480.070, 480.210, 480.215, 480.235 and 480.265, relating to explosives;
- 18 (FF) ORS 819.010, 819.040, 822.100, 822.135 and 822.150, relating to motor vehicles;
- 19 (GG) ORS 658.452 or 658.991 (2) to (4), relating to labor contractors;
- 20 (HH) ORS chapter 706, relating to banking law administration;
- 21 (II) ORS chapter 714, relating to branch banking;
- 22 (JJ) ORS chapter 716, relating to mutual savings banks;
- 23 (KK) ORS chapter 723, relating to credit unions;
- 24 (LL) ORS chapter 726, relating to pawnbrokers;
- 25 (MM) ORS 166.382 and 166.384, relating to destructive devices;
- 26 (NN) ORS 165.074;
- 27 (OO) ORS 86A.095 to 86A.198, relating to mortgage bankers and mortgage brokers;
- 28 (PP) ORS chapter 496, 497 or 498, relating to wildlife;
- 29 (QQ) ORS 163.355 to 163.427, relating to sexual offenses;
- 30 (RR) ORS 166.015, relating to riot;
- 31 (SS) ORS 166.155 and 166.165, relating to bias crimes;
- 32 (TT) ORS chapter 696, relating to real estate and escrow;
- 33 (UU) ORS chapter 704, relating to outfitters and guides;
- 34 (VV) ORS 165.692, relating to making a false claim for health care payment;
- 35 (WW) ORS 162.117, relating to public investment fraud;
- 36 (XX) ORS 164.170 or 164.172;
- 37 (YY) ORS 647.140, 647.145 or 647.150, relating to trademark counterfeiting;
- 38 (ZZ) ORS 164.886;
- 39 (AAA) ORS 167.312 and 167.388;
- 40 (BBB) ORS 164.889;
- 41 (CCC) ORS 165.800; or
- 42 (DDD) ORS 163.263, 163.264 or 163.266.
- 43 (b) Any conduct defined as “racketeering activity” under 18 U.S.C. 1961 (1)(B), (C), (D) and (E).
- 44 (7) “Unlawful debt” means any money or other thing of value constituting principal or interest
- 45 of a debt that is legally unenforceable in the state in whole or in part because the debt was incurred

1 or contracted:

2 (a) In violation of any one of the following:

3 (A) ORS chapter 462, relating to racing;

4 (B) ORS 167.108 to 167.164, relating to gambling; or

5 (C) ORS 82.010 to 82.170, relating to interest and usury.

6 (b) In gambling activity in violation of federal law or in the business of lending money at a rate
7 usurious under federal or state law.

8 (8) Notwithstanding contrary provisions in ORS 174.060, when this section references a statute
9 in the Oregon Revised Statutes that is substantially different in the nature of its essential provisions
10 from what the statute was when this section was enacted, the reference shall extend to and include
11 amendments to the statute.

12 **SECTION 20.** ORS 167.262 is amended to read:

13 167.262. (1) It is unlawful for an adult to knowingly use as an aider or abettor or to knowingly
14 solicit, force, compel, coerce or employ a minor, with or without compensation to the minor:

15 (a) To manufacture a controlled substance or a [*marijuana*] **cannabis** item as defined in ORS
16 475C.009; or

17 (b) To transport, carry, sell, give away, prepare for sale or otherwise distribute a controlled
18 substance or a [*marijuana*] **cannabis** item as defined in ORS 475C.009.

19 (2)(a) Except as otherwise provided in paragraph (b) of this subsection, violation of this section
20 is a Class A felony.

21 (b) Violation of this section is a Class A misdemeanor if the violation involves delivery for no
22 consideration of less than one ounce of usable [*marijuana*] **cannabis** as defined in ORS 475C.009.

23 **SECTION 21.** ORS 180.405 is amended to read:

24 180.405. As used in ORS 180.400 to 180.455 and 323.106:

25 (1) "Brand family" means all styles of cigarettes sold under the same trademark and differen-
26 tiated from one another by means of additional modifiers or descriptors, including, but not limited
27 to, cigarettes labeled "menthol," "lights," "kings," "100s" and any cigarettes sold under a brand
28 name, alone or in conjunction with any other word, trademark, logo, symbol, motto, selling message,
29 recognizable pattern of colors or other indicia of product identification, that are identical to, similar
30 to or identifiable with a previously known brand of cigarettes.

31 (2) "Cigarette" has the meaning given that term in ORS 323.800.

32 (3) "Distributor" means a person who is licensed under ORS 323.105 or 323.530 and any other
33 person who is a distributor for the purposes of ORS 323.005 to 323.482 or 323.500 to 323.645.

34 (4) "Importer" has the meaning given that term in ORS 323.800.

35 (5)(a) "Inhalant delivery system" means:

36 (A) A device that can be used to deliver nicotine in the form of a vapor or aerosol to a person
37 inhaling from the device; or

38 (B) A component of a device described in this paragraph or a substance in any form sold for the
39 purpose of being vaporized or aerosolized by a device described in this paragraph, whether the
40 component or substance is sold separately or is not sold separately.

41 (b) "Inhalant delivery system" does not include:

42 (A) Any product that has been approved by the United States Food and Drug Administration for
43 sale as a tobacco cessation product or for any other therapeutic purpose, if the product is marketed
44 and sold solely for the approved purpose;

45 (B) If sold separately, battery chargers, straps or lanyards; or

1 (C) [*Marijuana*] **Cannabis** items as defined in ORS 475C.009.

2 (6) “Master Settlement Agreement” has the meaning given that term in ORS 323.800.

3 (7) “Nonparticipating manufacturer” means any tobacco product manufacturer that is not a
4 participating manufacturer.

5 (8) “Participating manufacturer” has the meaning given that term in section II(jj) of the Master
6 Settlement Agreement.

7 (9) “Qualified escrow fund” has the meaning given that term in ORS 323.800.

8 (10) “Retailer” means a person that sells cigarettes, inhalant delivery systems or smokeless to-
9 bacco products to individuals for personal consumption.

10 (11) “Smokeless tobacco products” has the meaning given that term in ORS 323.810.

11 (12) “Tobacco product manufacturer” has the meaning given that term in ORS 323.800.

12 (13) “Units sold” has the meaning given that term in ORS 323.800.

13 **SECTION 22.** ORS 181A.195 is amended to read:

14 181A.195. (1) As used in this section:

15 (a) “Authorized agency” means state government as defined in ORS 174.111, the Oregon State
16 Bar or a municipal tax collection agency in a city with a population of 250,000 or more. “Authorized
17 agency” does not include:

18 (A) The Oregon State Lottery Commission or the Oregon State Lottery; or

19 (B) A criminal justice agency, as defined in ORS 181A.010, that is authorized by federal law to
20 receive fingerprint-based criminal records checks from the Federal Bureau of Investigation.

21 (b) “Subject individual” means a person from whom an authorized agency may require finger-
22 prints pursuant to statute for the purpose of enabling the authorized agency to request a state or
23 nationwide criminal records check.

24 (2)(a) An authorized agency may request that the Department of State Police conduct a criminal
25 records check on a subject individual for noncriminal justice purposes.

26 (b) An authorized agency may request that the department conduct a criminal records check on
27 a subject individual who is a contractor or vendor and who provides services to the authorized
28 agency when access to criminal offender information is required to perform noncriminal justice ad-
29 ministrative functions on behalf of the authorized agency. Criminal records checks performed under
30 this paragraph are subject to state and federal criminal offender information access policies. An
31 authorized agency shall conduct fitness determinations for contractors and vendors in coordination
32 with the department.

33 (c) If a nationwide criminal records check of a subject individual is necessary, the authorized
34 agency may request that the department conduct the check, including fingerprint identification,
35 through the Federal Bureau of Investigation.

36 (3) The Department of State Police shall provide the results of a criminal records check con-
37 ducted pursuant to subsection (2) of this section to the authorized agency requesting the check.

38 (4) The Federal Bureau of Investigation shall return or destroy the fingerprint cards used to
39 conduct the criminal records check and may not keep any record of the fingerprints, except that the
40 Federal Bureau of Investigation may retain the fingerprint cards and records of the fingerprints for
41 purposes described in ORS 181A.205. If the federal bureau policy authorizing return or destruction
42 of the fingerprint cards is changed, the Department of State Police shall cease to send the cards to
43 the federal bureau but shall continue to process the information through other available resources.

44 (5) If the Federal Bureau of Investigation returns the fingerprint cards to the Department of
45 State Police, the Department of State Police shall destroy the fingerprint cards and may not retain

1 facsimiles or other material from which a fingerprint can be reproduced, except that the Department
2 of State Police may retain the fingerprint cards or create facsimiles for the purpose of providing
3 information under ORS 181A.205 and for purposes of data security under subsection (12) of this
4 section.

5 (6) If only a state criminal records check is conducted, after the criminal records check is
6 completed, the Department of State Police shall destroy the fingerprint cards and the results of the
7 criminal records check provided to the authorized agency and may not retain facsimiles or other
8 material from which a fingerprint can be reproduced, except that the Department of State Police
9 may retain the fingerprint cards and results or create facsimiles for the purpose of providing infor-
10 mation under ORS 181A.205.

11 (7) An authorized agency may conduct criminal records checks on subject individuals through
12 the Law Enforcement Data System maintained by the Department of State Police in accordance with
13 rules adopted, and procedures established, by the Department of State Police.

14 (8) An authorized agency and the Department of State Police shall permit a subject individual
15 for whom a fingerprint-based criminal records check was conducted to inspect the individual's own
16 state and national criminal offender records and, if requested by the subject individual, provide the
17 individual with a copy of the individual's own state and national criminal offender records.

18 (9) Each authorized agency, in consultation with the Department of State Police, may adopt
19 rules to implement this section and other statutes relating to criminal offender information obtained
20 through fingerprint-based criminal records checks. The rules may include but need not be limited to:

21 (a) Identifying applicable categories of subject individuals as specified by the Oregon Depart-
22 ment of Administrative Services under ORS 181A.215 who are subject to criminal records checks
23 by the authorized agency.

24 (b) Identifying applicable information that may be required from a subject individual to permit
25 a criminal records check as specified by the Oregon Department of Administrative Services under
26 ORS 181A.215.

27 (c) Specifying which programs or services are subject to this section.

28 (d) If the authorized agency uses criminal records checks for agency employment purposes:

29 (A) Determining when and under what conditions a subject individual may be hired on a pre-
30 liminary basis pending a criminal records check; and

31 (B) Defining the conditions under which a subject individual may participate in training, orien-
32 tation and work activities pending completion of a criminal records check.

33 (e) Establishing fees in an amount not to exceed the actual cost of acquiring and furnishing
34 criminal offender information.

35 (10)(a) Except as otherwise provided in ORS 181A.400, 181A.875, 342.143, 342.223, 443.735,
36 475C.770 to 475C.919 and 703.090 and paragraph (d) of this subsection, an authorized agency, using
37 the rules adopted by the Oregon Department of Administrative Services under ORS 181A.215, shall
38 determine whether a subject individual is fit to hold a position, provide services, be employed or be
39 granted a license, certification, registration or permit. If a subject individual is determined to be
40 unfit, then the individual may not hold the position, provide services, be employed or be granted a
41 license, certification, registration or permit.

42 (b)(A) Subject to subparagraph (B) of this paragraph, an authorized agency making a fitness
43 determination of an individual under this subsection may request results of a previously made fitness
44 determination from an authorized agency that has already made a fitness determination for the in-
45 dividual. An authorized agency that receives a request under this paragraph shall provide the re-

1 requested information.

2 (B) An authorized agency may make a request under this paragraph only for individuals:

3 (i) Who are applying to hold a position, provide services, be employed or be granted a license,
4 certification, registration or permit;

5 (ii) Who are in a category of individuals as specified by the Oregon Department of Administra-
6 tive Services by rule under ORS 181A.215; and

7 (iii) For whom a fitness determination has already been made.

8 (c) Except as otherwise provided in ORS 181A.400, in making the fitness determination under
9 this subsection, the authorized agency shall consider:

10 (A) The nature of the crime;

11 (B) The facts that support the conviction or pending indictment or that indicate the making of
12 a false statement;

13 (C) The relevancy, if any, of the crime or the false statement to the specific requirements of the
14 subject individual's present or proposed position, services, employment, license, certification or reg-
15 istration; and

16 (D) Intervening circumstances relevant to the responsibilities and circumstances of the position,
17 services, employment, license, certification, registration or permit, such as:

18 (i) The passage of time since the commission of the crime;

19 (ii) The age of the subject individual at the time of the crime;

20 (iii) The likelihood of a repetition of offenses or of the commission of another crime;

21 (iv) The subsequent commission of another relevant crime;

22 (v) Whether the conviction was set aside and the legal effect of setting aside the conviction; and

23 (vi) The recommendation of an employer.

24 (d) A subject individual is not entitled to a fitness determination under this subsection if the
25 subject individual:

26 (A) Is or seeks to be employed in any capacity having contact with a recipient of support ser-
27 vices or a resident of a residential facility or adult foster home, as provided in ORS 443.004 (3), and
28 has been convicted of any crime listed in ORS 443.004 (3) or (5).

29 (B) Is prohibited by federal law from holding a position, providing services, being employed or
30 being granted a license, certification, registration or permit for which the fitness determination is
31 requested by an authorized agency.

32 (11)(a) In conducting a fitness determination regarding a subject individual other than an indi-
33 vidual described in paragraph (b) of this subsection, the Department of Human Services or the
34 Oregon Health Authority may not consider:

35 (A) A conviction that is more than 10 years old unless the conviction is for a crime listed in
36 ORS 443.004 (3) or (5);

37 (B) A charge or arrest for which there was no conviction unless the charge or arrest is for a
38 crime listed in ORS 443.004 (3) or (5);

39 (C) A conviction on a charge relating to [*marijuana*] **cannabis** if the charge is no longer a
40 criminal offense;

41 (D) A conviction under ORS 813.010 or 830.325, or a misdemeanor conviction under a law in
42 another jurisdiction that imposes criminal penalties for operating a vehicle or boat while under the
43 influence of intoxicants, if the subject individual had no more than one conviction described in this
44 subparagraph in the five-year period prior to the date of the criminal records check;

45 (E) A deferred sentence, conditional discharge or participation in a diversion program for any

1 crime unless the crime is listed in ORS 443.004 (3) and (5); and

2 (F) A pending indictment for a crime unless the crime is listed in ORS 443.004 (3) or (5).

3 (b) The department or the authority may consider a charge, arrest, conviction, deferred sen-
4 tence, conditional discharge, participation in a diversion program or pending indictment that may
5 not be considered under paragraph (a) of this subsection in making a fitness determination for a
6 subject individual who is:

7 (A) Described in ORS 418.016;

8 (B) An employee, volunteer, contractor or provider in, or an agent of, a proctor foster home as
9 defined in ORS 418.205 or a child-caring agency as defined in ORS 418.205;

10 (C) An exempt family child care provider, as defined in ORS 329A.430, the provider's household
11 members who are 16 years of age or older or a frequent visitor of a provider who is subject to a
12 criminal records check;

13 (D) An employee or volunteer in a facility that:

14 (i) Provides care to children and is operated by a school district, as defined in ORS 332.002, a
15 political subdivision of this state, a preschool recorded program, as defined in ORS 329A.250, or a
16 government agency; and

17 (ii) Is not required to be certified under ORS 329A.280; or

18 (E) An emergency medical services provider, as defined in ORS 682.025, for the purpose of de-
19 termining the fitness of the emergency medical services provider to receive or hold a license under
20 ORS 670.280.

21 (12)(a) Criminal offender information is confidential. Authorized agencies and the Department
22 of State Police shall adopt rules to restrict dissemination of information received under this section
23 to persons with a demonstrated and legitimate need to know the information.

24 (b) For each employee, contractor or vendor of an authorized agency who is required to have
25 access to or review criminal offender information for noncriminal justice purposes, the authorized
26 agency shall:

27 (A) Conduct a state and nationwide fingerprint-based criminal records check;

28 (B) Ensure that the employee, contractor or vendor meets the security background check re-
29 quirements of the Federal Bureau of Investigation Criminal Justice Information Services Security
30 Policy for having unescorted access to criminal offender information; and

31 (C) Pay fees as required under subsection (9) of this section.

32 (13) If a subject individual refuses to consent to the criminal records check or refuses to be
33 fingerprinted, the authorized agency shall deny the employment of the individual, or revoke or deny
34 any applicable position, authority to provide services, license, certification, registration or permit.

35 (14) If an authorized agency requires a criminal records check of employees, prospective em-
36 ployees, contractors, vendors or volunteers or applicants for a license, certification, registration or
37 permit, the application forms of the authorized agency must contain a notice that the person is
38 subject to fingerprinting and a criminal records check.

39 **SECTION 23.** ORS 181A.640 is amended to read:

40 181A.640. (1) The Department of Public Safety Standards and Training may deny the application
41 for training, or deny, suspend or revoke the certification, of any public safety officer or instructor,
42 except a youth correction officer or fire service professional, after written notice and hearing con-
43 sistent with the provisions of ORS 181A.630, based upon a finding that:

44 (a) The public safety officer or instructor falsified any information submitted on the application
45 for certification or on any documents submitted to the Board on Public Safety Standards and

1 Training or the department.

2 (b) The public safety officer or instructor has been convicted of a crime or violation in this state
3 or any other jurisdiction.

4 (c) The public safety officer or instructor does not meet the applicable minimum standards,
5 minimum training or the terms and conditions established under ORS 181A.410 (1)(a) to (d).

6 (d) The public safety officer failed to comply with ORS 181A.790 (3)(b).

7 (2) The department shall deny the application for training or deny, suspend or revoke the cer-
8 tification of a police officer, after written notice and hearing consistent with the provisions of ORS
9 181A.630, based upon a finding that:

10 (a) The officer has a conviction for any offense designated under the law of the jurisdiction
11 where the conviction occurred as being punishable as a felony or as a crime for which a maximum
12 term of imprisonment of more than one year may be imposed;

13 (b) The officer has a conviction in any jurisdiction for any offense involving the unlawful use,
14 possession, delivery or manufacture of a controlled substance, narcotic or dangerous drug, except
15 for offenses involving the use or possession of [*marijuana*] **cannabis**;

16 (c) The officer has a conviction in any jurisdiction for any offense involving domestic violence,
17 as defined in ORS 135.230;

18 (d) The officer has a conviction in any jurisdiction for any offense involving abuse, as defined
19 in ORS 107.705, of a child who is under 18 years of age and is a natural child, adopted child,
20 stepchild, a child under the guardianship of, or a child who regularly resides or formerly resided in
21 the same household as, the officer;

22 (e) The officer is a sex offender as defined in ORS 163A.005; or

23 (f) The officer has been discharged for cause from employment as a police officer as a result of
24 intentional conduct performed under the color of office to:

25 (A) Obtain false confessions;

26 (B) Make false arrests;

27 (C) Create or use falsified evidence, including false testimony, or to destroy evidence to create
28 a false impression;

29 (D) Compel a person to abstain from doing, or to do, any act that the person has a legal right
30 to do or abstain from doing;

31 (E) Deprive, or attempt to deprive, another person or persons of their legal rights;

32 (F) Gain advantage for a public or private safety agency or for personal gain;

33 (G) Use force that was determined to be excessive or without justification;

34 (H) Engage in the abuse of lawful authority; or

35 (I) Engage in policing indicative of bias or discriminatory intent against an individual based on
36 the individual's real or perceived age, race, ethnicity, color, national origin, language, sex, gender
37 identity, sexual orientation, political affiliation, religion, homelessness or disability.

38 (3) The department shall deny, suspend or revoke the certification of a fire service professional,
39 after written notice and hearing consistent with the provisions of ORS 181A.630, based upon a
40 finding that the fire service professional has been convicted in this state of a crime listed in ORS
41 137.700 or in any other jurisdiction of a crime that, if committed in this state, would constitute a
42 crime listed in ORS 137.700.

43 (4) The department may deny, suspend or revoke the certification of any fire service professional
44 after written notice and hearing consistent with the provisions of ORS 181A.630, based upon a
45 finding:

1 (a) That the fire service professional falsified any information submitted on the application for
 2 certification or on any documents submitted to the board or the department; or

3 (b) Consistent with ORS 670.280, that the fire service professional is not fit to receive or hold
 4 the certification as a result of conviction of a crime in this state, or in any other jurisdiction, other
 5 than a crime described in subsection (3) of this section.

6 (5) The department shall deny, suspend or revoke the certification of any public safety officer
 7 or instructor, except a youth correction officer, after written notice and hearing consistent with the
 8 provisions of ORS 181A.630, based upon a finding that the public safety officer or instructor has
 9 been discharged for cause from employment as a public safety officer.

10 (6) The department, in consultation with the board, shall adopt rules specifying those crimes and
 11 violations for which a conviction requires the denial, suspension or revocation of the certification
 12 of a public safety officer or instructor.

13 (7) Notwithstanding the lapse, suspension, revocation or surrender of the certification of a pub-
 14 lic safety officer or instructor, the department may:

15 (a) Proceed with any investigation of, or any action or disciplinary proceedings against, the
 16 public safety officer or instructor; or

17 (b) Revise or render void an order suspending or revoking the certification.

18 (8) The department shall deny, suspend or revoke the accreditation of a training or educational
 19 program or any course, subject, facility or instruction thereof if the program, course, subject, facility
 20 or instruction is not in compliance with rules adopted or conditions prescribed under ORS 181A.410
 21 (1)(g) or 181A.590 (3).

22 (9) When the department completes an investigation relating to a person's qualifications for
 23 employment, training or certification under this section, the department shall issue a report.

24 (10) In cases involving a proposed denial of training or certification of a public safety officer
 25 or instructor by the department, the department has jurisdiction to proceed with any action against
 26 the public safety officer or instructor notwithstanding a subsequent change in the employment status
 27 of the officer or instructor, if:

28 (a) The department has issued a notice of intent to deny training or certification; and

29 (b) The officer or instructor has requested a hearing.

30 **SECTION 24.** ORS 223.301 is amended to read:

31 223.301. (1) As used in this section, "employer" means any person who contracts to pay
 32 remuneration for, and secures the right to direct and control the services of, any person.

33 (2) A local government may not establish or impose a system development charge that requires
 34 an employer to pay a reimbursement fee or an improvement fee based on:

35 (a) The number of individuals hired by the employer after a specified date; or

36 (b) A methodology that assumes that costs are necessarily incurred for capital improvements
 37 when an employer hires an additional employee.

38 (3) A methodology set forth in an ordinance or resolution that establishes an improvement fee
 39 or a reimbursement fee shall not include or incorporate any method or system under which the
 40 payment of the fee or the amount of the fee is determined by the number of employees of an em-
 41 ployer without regard to new construction, new development or new use of an existing structure by
 42 the employer.

43 (4) A local government may not impose a system development charge for increased use of a
 44 transportation facility that results from the production of [*marijuana*] **cannabis** on a property lo-
 45 cated in an exclusive farm use zone.

SECTION 25. ORS 307.455 is amended to read:

307.455. (1) As used in ORS 307.453 to 307.459:

(a) “Assessor” means the county assessor, or the Department of Revenue if under ORS 306.126 the department is responsible for appraisal of the facility at which the qualified machinery and equipment is located.

(b) “Bakery product” has the meaning given that term in ORS 625.010.

(c) “Dairy products” has the meaning given that term in ORS 621.003.

(d) “Food processor”:

(A) Means a person engaged in the business of freezing, canning, dehydrating, concentrating, preserving, processing or repacking for human consumption raw or fresh fruit, vegetables, nuts, legumes, grains, bakery products, dairy products, eggs, seafood, meat or wild game in any procedure that occurs prior to the point of first sale by the processor.

(B) Does not include:

(i) Persons engaged in the business of producing alcoholic beverages or [*marijuana*] **cannabis** items as defined in ORS 475C.009.

(ii) A person engaged in the business of producing bakery products unless the person has been issued a wholesale license by the State Department of Agriculture.

(e) “Integrated processing line” does not include forklifts, trucks or other rolling stock used to transport material to or from a point of manufacture or assembly.

(f) “Qualified machinery and equipment” means property, whether new or used, that is newly acquired by a food processor and placed into service prior to January 1 preceding the first tax year for which an exemption under this section is sought, and that consists of:

(A) Real property machinery and equipment that is used by a food processor in the primary processing of raw or fresh fruit, vegetables, nuts, legumes, grains, bakery products, dairy products, eggs, seafood, meat or wild game; or

(B) Personal property machinery and equipment that is used in an integrated processing line for the primary processing of raw or fresh fruit, vegetables, nuts, legumes, grains, bakery products, dairy products, eggs, seafood, meat or wild game.

(2)(a) On or before March 1 preceding the first tax year for which property is to be exempt from taxation under this section, a food processor seeking an exemption under this section shall apply to the assessor for exemption. The application shall be on a form prescribed by the Department of Revenue and shall include any information required by the department, including a schedule of the qualified machinery and equipment for which certification is sought.

(b) Notwithstanding paragraph (a) of this subsection, the assessor may approve an application that is filed after March 1, and on or before December 31 of the assessment year, if the statement is accompanied by a late filing fee of the greater of \$200 or one-tenth of one percent of the real market value of the property that is the subject of the application.

(c) The assessor shall review the application and, if the machinery and equipment that is the subject of the application constitutes qualified machinery and equipment certified by the State Department of Agriculture under ORS 307.457, shall approve the application and exempt the qualified machinery and equipment.

(d) If any of the machinery and equipment that is the subject of the application does not constitute qualified machinery and equipment certified by the State Department of Agriculture under ORS 307.457, the assessor shall exclude the nonqualified machinery and equipment from the application.

1 (3) Qualified machinery and equipment for which an application has been approved under sub-
2 section (2) of this section shall be exempt for the tax year for which the application was approved
3 and for the next four succeeding tax years, if as of the assessment date for each year the property
4 constitutes qualified machinery and equipment.

5 (4) The duration of the exemption under subsection (3) of this section may not be extended as
6 the result of the value of changes to qualified machinery and equipment that are attributable to
7 rehabilitation, reconditioning or ongoing maintenance or repair.

8 (5) Notwithstanding subsection (3) of this section, qualified machinery and equipment that is
9 used to process grains or bakery products may not be granted exemption under this section unless
10 the qualified machinery and equipment has a total cost of initial investment of at least \$100,000 to
11 the food processor.

12 (6) Notwithstanding subsection (3) of this section, qualified machinery and equipment that is
13 used to process bakery products may not be granted exemption under this section if proceeds from
14 retail sales made at the processing site constitute more than 10 percent of all proceeds from sales
15 made at the processing site.

16 **SECTION 26.** ORS 316.680 is amended to read:

17 316.680. (1) There shall be subtracted from federal taxable income:

18 (a) The interest or dividends on obligations of the United States and its territories and pos-
19 sessions or of any authority, commission or instrumentality of the United States to the extent
20 includable in gross income for federal income tax purposes but exempt from state income taxes un-
21 der the laws of the United States. However, the amount subtracted under this paragraph shall be
22 reduced by any interest on indebtedness incurred to carry the obligations or securities described in
23 this paragraph, and by any expenses incurred in the production of interest or dividend income de-
24 scribed in this paragraph to the extent that such expenses, including amortizable bond premiums,
25 are deductible in determining federal taxable income.

26 (b) The amount of any federal income taxes accrued by the taxpayer during the taxable year as
27 described in ORS 316.685, less the amount of any refunds of federal taxes previously accrued for
28 which a tax benefit was received.

29 (c) Amounts allowable under sections 2621(a)(2) and 2622(b) of the Internal Revenue Code to the
30 extent that the taxpayer does not elect under section 642(g) of the Internal Revenue Code to reduce
31 federal taxable income by those amounts.

32 (d) Any supplemental payments made to JOBS Plus Program participants under ORS 411.892.

33 (e)(A) Federal pension income that is attributable to federal employment occurring before Oc-
34 tober 1, 1991. Federal pension income that is attributable to federal employment occurring before
35 October 1, 1991, shall be determined by multiplying the total amount of federal pension income for
36 the tax year by the ratio of the number of months of federal creditable service occurring before
37 October 1, 1991, over the total number of months of federal creditable service.

38 (B) The subtraction allowed under this paragraph applies only to federal pension income re-
39 ceived at a time when:

40 (i) Benefit increases provided under chapter 569, Oregon Laws 1995, are in effect; or

41 (ii) Public Employees Retirement System benefits received for service prior to October 1, 1991,
42 are exempt from state income tax.

43 (C) As used in this paragraph:

44 (i) "Federal creditable service" means those periods of time for which a federal employee earned
45 a federal pension.

1 (ii) "Federal pension" means any form of retirement allowance provided by the federal govern-
2 ment, its agencies or its instrumentalities to retirees of the federal government or their benefici-
3 aries.

4 (f) Any amount included in federal taxable income for the tax year that is attributable to the
5 conversion of a regular individual retirement account into a Roth individual retirement account
6 described in section 408A of the Internal Revenue Code, to the extent that:

7 (A) The amount was subject to the income tax of another state or the District of Columbia in
8 a prior tax year; and

9 (B) The taxpayer was a resident of the other state or the District of Columbia for that prior tax
10 year.

11 (g) Any amounts awarded to the taxpayer by the Public Safety Memorial Fund Board under ORS
12 243.954 to 243.974 to the extent that the taxpayer has not taken the amount as a deduction in de-
13 termining the taxpayer's federal taxable income for the tax year.

14 (h) If included in taxable income for federal tax purposes, the amount withdrawn during the tax
15 year in qualified withdrawals from a savings network account for higher education established under
16 ORS 178.300 to 178.360.

17 (i) Any federal deduction that the taxpayer would have been allowed for the production, pro-
18 cessing or sale of [*marijuana*] **cannabis** items authorized under ORS 475C.005 to 475C.525 or
19 475C.770 to 475C.919 but for section 280E of the Internal Revenue Code.

20 (j) Any federal deduction that the taxpayer would have been allowed for the manufacturing or
21 sale of psilocybin products or the provision of psilocybin services authorized under ORS 475A.210
22 to 475A.722 but for section 280E of the Internal Revenue Code.

23 (k) If included in taxable income for federal tax purposes, any distributions from an ABLE ac-
24 count that do not exceed the qualified disability expenses of the designated beneficiary as provided
25 in ORS 178.375 and 178.380 and rules adopted by the Oregon 529 Savings Board.

26 (2) There shall be added to federal taxable income:

27 (a) Interest or dividends, exempt from federal income tax, on obligations or securities of any
28 foreign state or of a political subdivision or authority of any foreign state. However, the amount
29 added under this paragraph shall be reduced by any interest on indebtedness incurred to carry the
30 obligations or securities described in this paragraph and by any expenses incurred in the production
31 of interest or dividend income described in this paragraph.

32 (b) Interest or dividends on obligations of any authority, commission, instrumentality and terri-
33 torial possession of the United States that by the laws of the United States are exempt from federal
34 income tax but not from state income taxes. However, the amount added under this paragraph shall
35 be reduced by any interest on indebtedness incurred to carry the obligations or securities described
36 in this paragraph and by any expenses incurred in the production of interest or dividend income
37 described in this paragraph.

38 (c) The amount of any federal estate taxes allocable to income in respect of a decedent not
39 taxable by Oregon.

40 (d) The amount of any allowance for depletion in excess of the taxpayer's adjusted basis in the
41 property depleted, deducted on the taxpayer's federal income tax return for the taxable year, pur-
42 suant to sections 613, 613A, 614, 616 and 617 of the Internal Revenue Code.

43 (e) For taxable years beginning on or after January 1, 1985, the dollar amount deducted under
44 section 151 of the Internal Revenue Code for personal exemptions for the taxable year.

45 (f) The amount taken as a deduction on the taxpayer's federal return for unused qualified busi-

1 ness credits under section 196 of the Internal Revenue Code.

2 (g) The amount of any increased benefits paid to a taxpayer under chapter 569, Oregon Laws
3 1995, under the provisions of chapter 796, Oregon Laws 1991, and under section 26, chapter 815,
4 Oregon Laws 1991, that is not includable in the taxpayer's federal taxable income under the Internal
5 Revenue Code.

6 (h) The amount of any long term care insurance premiums paid or incurred by the taxpayer
7 during the tax year if:

8 (A) The amount is taken into account as a deduction on the taxpayer's federal return for the
9 tax year; and

10 (B) The taxpayer claims the credit allowed under ORS 315.610 for the tax year.

11 (i) Any amount taken as a deduction under section 1341 of the Internal Revenue Code in com-
12 puting federal taxable income for the tax year, if the taxpayer has claimed a credit for claim of right
13 income repayment adjustment under ORS 315.068.

14 (j) If the taxpayer makes a nonqualified withdrawal, as defined in ORS 178.300, from a savings
15 network account for higher education established under ORS 178.300 to 178.360, the amount of the
16 withdrawal that is attributable to contributions that were subtracted from federal taxable income
17 under ORS 316.699.

18 (k) If a taxpayer makes a withdrawal from a savings network account for higher education es-
19 tablished under ORS 178.300 to 178.360 to pay expenses in connection with enrollment or attendance
20 at an elementary or secondary school, the amount of the withdrawal that is attributable to contri-
21 butions that were subtracted from federal taxable income under ORS 316.699 and the amount of the
22 withdrawal that is attributable to previously untaxed earnings and gains.

23 (L) If the taxpayer makes a distribution from an ABLE account that is not a qualified disability
24 expense of the designated beneficiary as provided in ORS 178.375 and 178.380 and rules adopted by
25 the Oregon 529 Savings Board, the amount of the distribution that is attributable to contributions
26 that were subtracted from federal taxable income under ORS 316.699.

27 (3) Discount and gain or loss on retirement or disposition of obligations described under sub-
28 section (2)(a) of this section issued on or after January 1, 1985, shall be treated for purposes of this
29 chapter in the same manner as under sections 1271 to 1283 and other pertinent sections of the
30 Internal Revenue Code as if the obligations, although issued by a foreign state or a political subdivi-
31 sion of a foreign state, were not tax exempt under the Internal Revenue Code.

32 **SECTION 27.** ORS 317A.100, as amended by section 26, chapter 75, Oregon Laws 2024, is
33 amended to read:

34 317A.100. As used in ORS 317A.100 to 317A.158:

35 (1)(a) "Commercial activity" means:

36 (A) The total amount realized by a person, arising from transactions and activity in the regular
37 course of the person's trade or business, without deduction for expenses incurred by the trade or
38 business;

39 (B) If received by a financial institution:

40 (i) If the reporting person for a financial institution is a holding company, all items of income
41 reported on the FR Y-9 filed by the holding company;

42 (ii) If the reporting person for a financial institution is a bank organization, all items of income
43 reported on the call report filed by the bank organization; and

44 (iii) If the reporting person for a financial institution is a nonbank financial organization, all
45 items of income reported in accordance with generally accepted accounting principles; and

1 (C)(i) If received by an insurer, as reported on the statement of premiums accompanying the
2 annual statement required under ORS 731.574 to be filed with the Director of the Department of
3 Consumer and Business Services, all gross direct life insurance premiums, gross direct accident and
4 health insurance premiums and gross direct property and casualty insurance premiums; and

5 (ii) The gross amount of surplus lines premiums received on Oregon home state risks as shown
6 in the report required by ORS 735.465.

7 (b) "Commercial activity" does not include:

8 (A) Interest income except:

9 (i) Interest on credit sales; or

10 (ii) Interest income, including service charges, received by financial institutions;

11 (B) Receipts from the sale, exchange or other disposition of an asset described in section 1221
12 or 1231 of the Internal Revenue Code, without regard to the length of time the person held the asset;

13 (C) If received by an insurer, federally reinsured premiums or income from transactions between
14 a reciprocal insurer and its attorney in fact operating under ORS 731.142;

15 (D) Receipts from hedging transactions, to the extent that the transactions are entered into
16 primarily to protect a financial position, including transactions intended to manage the risk of ex-
17 posure to foreign currency fluctuations that affect assets, liabilities, profits, losses, equity or in-
18 vestments in foreign operations, risk of exposure to interest rate fluctuations or risk of commodity
19 price fluctuations;

20 (E) Proceeds received attributable to the repayment, maturity or redemption of the principal of
21 a loan, bond, mutual fund, certificate of deposit or marketable instrument;

22 (F) The principal amount received under a repurchase agreement or on account of any trans-
23 action properly characterized as a loan to the person;

24 (G) Contributions received by a trust, plan or other arrangement, any of which is described in
25 section 501(a) of the Internal Revenue Code, or to which title 26, subtitle A, chapter 1, subchapter
26 (D) of the Internal Revenue Code applies;

27 (H) Compensation, whether current or deferred, and whether in cash or in kind, received or to
28 be received by an employee, a former employee or the employee's legal successor for services ren-
29 dered to or for an employer, including reimbursements received by or for an individual for medical
30 or education expenses, health insurance premiums or employee expenses or on account of a de-
31 pendent care spending account, legal services plan, any cafeteria plan described in section 125 of
32 the Internal Revenue Code or any similar employee reimbursement;

33 (I) Proceeds received from the issuance of the taxpayer's own stock, options, warrants, puts or
34 calls, or from the sale of the taxpayer's treasury stock;

35 (J) Proceeds received on the account of payments from insurance policies, including crop in-
36 surance policies, owned by the taxpayer, except those proceeds received for the loss of commercial
37 activity;

38 (K) Gifts or charitable contributions received, membership dues received by trade, professional,
39 homeowners' or condominium associations, payments received for educational courses, meetings or
40 meals, or similar payments to a trade, professional or other similar association, and fundraising re-
41 cepts received by any person when any excess receipts are donated or used exclusively for chari-
42 table purposes;

43 (L) Damages received as the result of litigation in excess of amounts that, if received without
44 litigation, would be treated as commercial activity;

45 (M) Property, money and other amounts received or acquired by an agent on behalf of another

1 in excess of the agent's commission, fee or other remuneration;

2 (N) Tax refunds from any tax program, other tax benefit recoveries and reimbursements for the
3 tax imposed under ORS 317A.100 to 317A.158 made by entities that are part of the same unitary
4 group as provided under ORS 317A.106, and reimbursements made by entities that are not members
5 of a unitary group that are required to be made for economic parity among multiple owners of an
6 entity whose tax obligation under ORS 317A.100 to 317A.158 is required to be reported and paid
7 entirely by one owner, as provided in ORS 317A.106;

8 (O) Pension reversions;

9 (P) Contributions to capital;

10 (Q) Receipts from the sale, transfer, exchange or other disposition of motor vehicle fuel or any
11 other product used for the propulsion of motor vehicles;

12 (R) In the case of receipts from the sale of cigarettes or tobacco products by a wholesale dealer,
13 retail dealer, distributor, manufacturer or seller, an amount equal to the federal and state excise
14 taxes paid by any person on or for such cigarettes or tobacco products under subtitle E of the
15 Internal Revenue Code or ORS chapter 323;

16 (S) In the case of receipts from the sale of malt beverages or wine, as defined in ORS 471.001,
17 cider, as defined in ORS 471.023 or distilled liquor, as defined in ORS 471.001, by a person holding
18 a license issued under ORS chapter 471, an amount equal to the federal and state excise taxes paid
19 by any person on or for such malt beverages, wine or distilled liquor under subtitle E of the Internal
20 Revenue Code or ORS chapter 471 or 473, and any amount paid to the Oregon Liquor and Cannabis
21 Commission for sales of distilled spirits by an agent appointed under ORS 471.750;

22 (T) In the case of receipts from the sale of [*marijuana*] **cannabis** items, as defined in ORS
23 475C.009, by a person holding a license issued under ORS 475C.005 to 475C.525, an amount equal to
24 the federal and state excise taxes paid by any person on or for such [*marijuana*] **cannabis** items
25 under subtitle E of the Internal Revenue Code or ORS 475C.670 to 475C.734 and any local retail
26 taxes authorized under ORS 475C.453;

27 (U) Local taxes collected by a restaurant or other food establishment on sales of meals, prepared
28 food or beverages;

29 (V) Tips or gratuities collected by a restaurant or other food establishment and passed on to
30 employees;

31 (W) Receipts realized by a vehicle dealer certified under ORS 822.020 or a person described in
32 ORS 320.400 (8)(a)(B) from the sale or other transfer of a motor vehicle, as defined in ORS 801.360,
33 to another vehicle dealer for the purpose of resale by the transferee vehicle dealer, but only if the
34 sale or other transfer was based upon the transferee's need to meet a specific customer's preference
35 for a motor vehicle or is an exchange of new vehicles between franchised motor vehicle dealerships;

36 (X) Registration fees or taxes collected by a vehicle dealer certified under ORS 822.020 or a
37 person described in ORS 320.400 (8)(a)(B) at the sale or other transfer of a motor vehicle, as defined
38 in ORS 801.360, that are owed to a third party by the purchaser of the motor vehicle and passed to
39 the third party by the dealer;

40 (Y) Receipts from a financial institution for services provided to the financial institution in
41 connection with the issuance, processing, servicing and management of loans or credit accounts, if
42 the financial institution and the recipient of the receipts have at least 50 percent of their ownership
43 interests owned or controlled, directly or constructively through related interests, by common own-
44 ers;

45 (Z) In the case of amounts retained as commissions by a holder of a license under ORS chapter

1 462, an amount equal to the amounts specified under ORS chapter 462 that must be paid to or col-
2 lected by the Department of Revenue as a tax and the amounts specified under ORS chapter 462 to
3 be used as purse money;

4 (AA) Receipts of residential care facilities as defined in ORS 443.400 or in-home care agencies
5 as defined in ORS 443.305, to the extent that the receipts are derived from or received as compen-
6 sation for providing services to a medical assistance or Medicare recipient;

7 (BB) Dividends received;

8 (CC) Distributive income received from a pass-through entity;

9 (DD) Receipts from sales to a wholesaler in this state, if the seller receives certification at the
10 time of sale from the wholesaler that the wholesaler will sell the purchased property outside this
11 state;

12 (EE) Receipts from the wholesale or retail sale of groceries, including receipts of a person that
13 owns groceries at the time of sale and compensation of any consignee engaged in effecting the sale
14 of groceries on behalf the owner of the groceries, but only to the extent that the compensation re-
15 lates to grocery sales;

16 (FF) Receipts from transactions among members of a unitary group;

17 (GG) Moneys, including public purpose charge moneys collected under ORS 757.612 and moneys
18 collected to plan for and pursue cost-effective energy efficiency resources under ORS 757.054, that
19 are collected from customers, passed to a utility and approved by the Public Utility Commission and
20 that support energy conservation, renewable resource acquisition and low-income assistance pro-
21 grams;

22 (HH) Moneys collected by a utility from customers for the payment of loans through on-bill fi-
23 nancing;

24 (II) Surcharges collected under ORS 757.736;

25 (JJ) Moneys passed to a utility by the Bonneville Power Administration for the purpose of
26 effectuating the Regional Power Act Exchange credits or pursuant to any settlement associated with
27 the exchange credit;

28 (KK) Moneys collected or recovered, by entities listed in ORS 756.310, cable operators as de-
29 fined in 47 U.S.C. 522(5), telecommunications carriers as defined in 47 U.S.C. 153(51) and providers
30 of information services as defined in 47 U.S.C. 153(24), for fees payable under ORS 756.310, right-of-
31 way fees, franchise fees, privilege taxes, federal taxes and local taxes;

32 (LL) Charges paid to the Residential Service Protection Fund required by chapter 290, Oregon
33 Laws 1987;

34 (MM) Universal service surcharge moneys collected or recovered and paid into the universal
35 service fund established in ORS 759.425;

36 (NN) Moneys collected for public purpose funding as described in ORS 759.430;

37 (OO) Moneys collected or recovered and paid into the federal universal service fund as deter-
38 mined by the Federal Communications Commission;

39 (PP) In the case of a seller or provider of telecommunications services, the amount of tax im-
40 posed under ORS 403.200 for access to the emergency communications system that is collected from
41 subscribers or consumers;

42 (QQ) In the case of a transient lodging tax collector, the amount of tax imposed under ORS
43 320.305 and of any local transient lodging tax imposed upon the occupancy of transit lodging;

44 (RR) In the case of a seller of bicycles, the amount of tax imposed under ORS 320.415 upon retail
45 sales of bicycles;

1 (SS) In the case of a qualified heavy equipment provider, the amount of tax imposed under ORS
2 307.872 upon the rental price of heavy equipment;

3 (TT) Farmer sales to an agricultural cooperative in this state that is a cooperative organization
4 described in section 1381 of the Internal Revenue Code;

5 (UU) Revenue received by a business entity that is mandated by contract or subcontract to be
6 distributed to another person or entity if the revenue constitutes sales commissions that are paid
7 to a person who is not an employee of the business entity, including, without limitation, a split-fee
8 real estate commission;

9 (VV) Receipts from the sale of fluid milk by dairy farmers that are not members of an agricul-
10 tural cooperative; and

11 (WW)(i) Cost paid by a dealer for items of precious metal.

12 (ii) As used in this subparagraph, "item of precious metal" means an item of gold, silver,
13 platinum, rhodium or palladium that has been put through a process of smelting or refining and that
14 is in a state or condition that its value depends on its contents and not its form.

15 (2) "Cost inputs" means:

16 (a) The cost of goods sold as calculated in arriving at federal taxable income under the Internal
17 Revenue Code; or

18 (b) In the case of a taxpayer that is engaged in a farming operation, as defined in ORS 317A.102,
19 and that does not report cost of goods sold for federal tax purposes, the taxpayer's operating ex-
20 penses excluding labor costs.

21 (3) "Doing business" means engaging in any activity, whether legal or illegal, that is conducted
22 for, or results in, the receipt of commercial activity at any time during a calendar year.

23 (4) "Excluded person" means any of the following:

24 (a) Organizations described in sections 501(c) and 501(j) of the Internal Revenue Code, unless the
25 exemption is denied under section 501(h), (i) or (m) or under section 502, 503 or 505 of the Internal
26 Revenue Code.

27 (b) Organizations described in section 501(d) of the Internal Revenue Code, unless the exemption
28 is denied under section 502 or 503 of the Internal Revenue Code.

29 (c) Organizations described in section 501(e) of the Internal Revenue Code.

30 (d) Organizations described in section 501(f) of the Internal Revenue Code.

31 (e) Charitable risk pools described in section 501(n) of the Internal Revenue Code.

32 (f) Organizations described in section 521 of the Internal Revenue Code.

33 (g) Qualified state tuition programs described in section 529 of the Internal Revenue Code.

34 (h) Foreign or alien insurance companies, but only with respect to the underwriting profit de-
35 rived from writing wet marine and transportation insurance subject to tax under ORS 731.824 and
36 731.828 or if an insurance company is subject to the retaliatory tax under ORS 731.854 and 731.859.

37 (i) Governmental entities.

38 (j) Any person with commercial activity that does not exceed \$750,000 for the tax year, other
39 than a person that is part of a unitary group as provided in ORS 317A.106 with commercial activity
40 in excess of \$750,000.

41 (k) Hospitals subject to assessment under ORS 414.855, long term care facilities subject to as-
42 sessment under ORS 409.801 or any entity subject to assessment under ORS 414.880 or section 3 or
43 5, chapter 538, Oregon Laws 2017.

44 (L) Manufactured dwelling park nonprofit cooperatives organized under ORS chapter 62.

45 (5) "Financial institution" has the meaning given that term in ORS 314.610, except that "finan-

1 cial institution” does not include a credit union.

2 (6)(a) “FR Y-9” means the consolidated or parent-only financial statements that a holding com-
3 pany is required to file with the Federal Reserve Board pursuant to 12 U.S.C. 1844.

4 (b) In the case of a holding company required to file both consolidated and parent-only financial
5 statements, “FR Y-9” means the consolidated financial statements that the holding company is re-
6 quired to file.

7 (7) “Governmental entity” means:

8 (a) The United States and any of its unincorporated agencies and instrumentalities.

9 (b) Any incorporated agency or instrumentality of the United States wholly owned by the United
10 States or by a corporation wholly owned by the United States.

11 (c) The State of Oregon and any of its unincorporated agencies and instrumentalities.

12 (d) Any county, city, district or other political subdivision of the state.

13 (e) A special government body as defined in ORS 174.117.

14 (f) A federally recognized Indian tribe.

15 (8) “Groceries” means food as defined in 7 U.S.C. 2012(k), but does not include cannabinoid
16 edibles or [*marijuana*] **cannabis** seeds.

17 (9)(a) “Hedging transaction” means a hedging transaction as defined in section 1221 of the
18 Internal Revenue Code or a transaction accorded hedge accounting treatment under Financial Ac-
19 counting Standards Board Statement No. 133.

20 (b) “Hedging transaction” does not include a transaction in which an actual transfer of title of
21 real or tangible property to another entity occurs.

22 (10) “Insurer” has the meaning given that term in ORS 317.010.

23 (11) “Internal Revenue Code,” except where the Legislative Assembly has provided otherwise,
24 refers to the laws of the United States or to the Internal Revenue Code as they are amended and
25 in effect on December 31, 2023.

26 (12) “Labor costs” means total compensation of all employees, not to include compensation paid
27 to any single employee in excess of \$500,000.

28 (13)(a) “Motor vehicle fuel or any other product used for the propulsion of motor vehicles”
29 means:

30 (A) Motor vehicle fuel as defined in ORS 319.010; and

31 (B) Fuel the use of which in a motor vehicle is subject to taxation under ORS 319.530.

32 (b) “Motor vehicle fuel or any other product used for the propulsion of motor vehicles” does not
33 mean:

34 (A) Electricity; or

35 (B) Electric batteries or any other mechanical or physical component or accessory of a motor
36 vehicle.

37 (14) “Person” includes individuals, combinations of individuals of any form, receivers, assignees,
38 trustees in bankruptcy, firms, companies, joint-stock companies, business trusts, estates, partner-
39 ships, limited liability partnerships, limited liability companies, associations, joint ventures, clubs,
40 societies, entities organized as for-profit corporations under ORS chapter 60, C corporations, S cor-
41 porations, qualified subchapter S subsidiaries, qualified subchapter S trusts, trusts, entities that are
42 disregarded for federal income tax purposes and any other entities.

43 (15) “Retailer” means a person doing business by selling tangible personal property to a pur-
44 chaser for a purpose other than:

45 (a) Resale by the purchaser of the property as tangible personal property in the regular course

1 of business;

2 (b) Incorporation by the purchaser of the property in the course of regular business as an in-
3 gredient or component of real or personal property; or

4 (c) Consumption by the purchaser of the property in the production for sale of a new article of
5 tangible personal property.

6 (16) "Taxable commercial activity" means commercial activity sourced to this state under ORS
7 317A.128, less any subtraction pursuant to ORS 317A.119.

8 (17)(a) "Taxpayer" means any person or unitary group required to register, file or pay tax under
9 ORS 317A.100 to 317A.158.

10 (b) "Taxpayer" does not include excluded persons, except to the extent that a tax-exempt entity
11 has unrelated business income as described in the Internal Revenue Code.

12 (18) "Tax year" means, except as otherwise provided in ORS 317A.103, a taxpayer's annual ac-
13 counting period used for federal income tax purposes under section 441 of the Internal Revenue
14 Code.

15 (19)(a) "Unitary business" means a business enterprise in which there exists directly or indi-
16 rectly between the members or parts of the enterprise a sharing or exchange of value as demon-
17 strated by:

18 (A) Centralized management or a common executive force;

19 (B) Centralized administrative services or functions resulting in economies of scale; or

20 (C) Flow of goods, capital resources or services demonstrating functional integration.

21 (b) "Unitary business" may include a business enterprise the activities of which:

22 (A) Are in the same general line of business, such as manufacturing, wholesaling or retailing;

23 or

24 (B) Constitute steps in a vertically integrated process, such as the steps involved in the pro-
25 duction of natural resources, which might include exploration, mining, refining and marketing.

26 (20) "Unitary group" means a group of persons with more than 50 percent common ownership,
27 either direct or indirect, that is engaged in business activities that constitute a unitary business.

28 (21) "Wholesaler" means a person primarily doing business by merchant distribution of tangible
29 personal property to retailers or to other wholesalers.

30 **SECTION 28.** ORS 323.500 is amended to read:

31 323.500. As used in ORS 323.500 to 323.645, unless the context otherwise requires:

32 (1) "Business" means any trade, occupation, activity or enterprise engaged in for the purpose
33 of selling or distributing tobacco products in this state.

34 (2) "Cigar" means a roll for smoking that is of any size or shape and that is made wholly or in
35 part of tobacco, irrespective of whether the tobacco is pure or flavored, adulterated or mixed with
36 any other ingredient, if the roll has a wrapper made wholly or in greater part of tobacco and if 1,000
37 of these rolls collectively weigh more than three pounds. "Cigar" does not include a cigarette, as
38 defined in ORS 323.010.

39 (3) "Consumer" means any person who purchases tobacco products in this state for the person's
40 use or consumption or for any purpose other than for reselling the tobacco products to another
41 person.

42 (4) "Contraband tobacco products" means tobacco products or packages containing tobacco
43 products:

44 (a) That do not comply with the requirements of ORS 323.500 to 323.645;

45 (b) That do not comply with the requirements of the tobacco products tax laws of the federal

- 1 government or of other states;
- 2 (c) That bear trademarks that are counterfeit under ORS 647.135 or other state or federal
- 3 trademark laws; or
- 4 (d) That have been sold, offered for sale or possessed for sale in this state in violation of ORS
- 5 180.486.
- 6 (5) “Department” means the Department of Revenue.
- 7 (6) “Distribute” means:
- 8 (a) Bringing, or causing to be brought, into this state from without this state tobacco products
- 9 for sale, storage, use or consumption;
- 10 (b) Making, manufacturing or fabricating tobacco products in this state for sale, storage, use or
- 11 consumption in this state;
- 12 (c) Shipping or transporting tobacco products to retail dealers in this state, to be sold, stored,
- 13 used or consumed by those retail dealers;
- 14 (d) Storing untaxed tobacco products in this state that are intended to be for sale, use or con-
- 15 sumption in this state;
- 16 (e) Selling untaxed tobacco products in this state; or
- 17 (f) As a consumer, being in possession of untaxed tobacco products in this state.
- 18 (7) “Distributor” means:
- 19 (a) Any person engaged in the business of selling tobacco products in this state who brings, or
- 20 causes to be brought, into this state from without the state any tobacco products for sale;
- 21 (b) Any person who makes, manufactures or fabricates tobacco products in this state for sale in
- 22 this state;
- 23 (c) Any person engaged in the business of selling tobacco products without this state who ships
- 24 or transports tobacco products to retail dealers in this state, to be sold by those retail dealers;
- 25 (d) Any person, including a retail dealer, who sells untaxed tobacco products in this state; or
- 26 (e) A consumer in possession of untaxed tobacco products in this state.
- 27 (8)(a) “Inhalant delivery system” means:
- 28 (A) A device that can be used to deliver nicotine in the form of a vapor or aerosol to a person
- 29 inhaling from the device; or
- 30 (B) A component of a device described in this paragraph or a substance in any form sold for the
- 31 purpose of being vaporized or aerosolized by a device described in this paragraph, whether the
- 32 component or substance is sold separately or is not sold separately.
- 33 (b) “Inhalant delivery system” does not include:
- 34 (A) Any product that has been approved by the United States Food and Drug Administration for
- 35 sale as a tobacco cessation product or for any other therapeutic purpose, if the product is marketed
- 36 and sold solely for the approved purpose;
- 37 (B) If sold separately, battery chargers, straps or lanyards; or
- 38 (C) [*Marijuana*] **Cannabis** items as defined in ORS 475C.009.
- 39 (9) “Manufacturer” means a person who manufactures tobacco products for sale.
- 40 (10) “Moist snuff” means:
- 41 (a) Any finely cut, ground or powdered tobacco that is not intended to be smoked or placed in
- 42 a nasal cavity; or
- 43 (b) Any other product containing tobacco that is intended or expected to be consumed without
- 44 being combusted.
- 45 (11) “Place of business” means any place where tobacco products are sold or where tobacco

1 products are manufactured, stored or kept for the purpose of sale or consumption, including any
2 vessel, vehicle, airplane, train or vending machine.

3 (12) "Retail dealer" means any person who is engaged in the business of selling or otherwise
4 dispensing tobacco products to consumers. The term also includes the operators of or recipients of
5 revenue from all places such as smoke shops, cigar stores and vending machines, where tobacco
6 products are made or stored for ultimate sale to consumers.

7 (13) "Sale" means any transfer, exchange or barter, in any manner or by any means, for a con-
8 sideration, and includes and means all sales made by any person. It includes a gift by a person en-
9 gaged in the business of selling tobacco products, for advertising, as a means of evading the
10 provisions of ORS 323.500 to 323.645, or for any other purpose.

11 (14) "Taxpayer" includes a distributor or other person required to pay a tax imposed under ORS
12 323.500 to 323.645.

13 (15) "Tobacco products" means cigars, cheroots, stogies, periques, granulated, plug cut, crimp
14 cut, ready rubbed and other smoking tobacco, snuff, snuff flour, moist snuff, cavendish, plug and
15 twist tobacco, fine-cut and other chewing tobaccos, shorts, refuse scraps, clippings, cuttings and
16 sweepings of tobacco and other kinds and forms of tobacco, prepared in such manner as to be suit-
17 able for chewing or smoking in a pipe or otherwise, or both for chewing and smoking, and inhalant
18 delivery systems, but does not include cigarettes as defined in ORS 323.010.

19 (16) "Untaxed tobacco products" means tobacco products for which the tax required under ORS
20 323.500 to 323.645 has not been paid.

21 (17) "Wholesale sales price" means the price paid for untaxed tobacco products to or on behalf
22 of a seller by a purchaser of the untaxed tobacco products.

23 **SECTION 29.** ORS 323.505 is amended to read:

24 323.505. (1) A tax is hereby imposed upon the distribution of all tobacco products in this state.
25 The tax imposed by this section is intended to be a direct tax on the consumer, for which payment
26 upon distribution is required to achieve convenience and facility in the collection and administration
27 of the tax. The tax shall be imposed on a distributor at the time the distributor distributes tobacco
28 products.

29 (2) The tax imposed under this section shall be imposed at the rate of:

30 (a) Sixty-five percent of the wholesale sales price of cigars, but not to exceed one dollar per
31 cigar;

32 (b) One dollar and seventy-eight cents per ounce based on the net weight determined by the
33 manufacturer, in the case of moist snuff, except that the minimum tax under this paragraph is \$2.14
34 per retail container; or

35 (c) Sixty-five percent of the wholesale sales price of all tobacco products that are not cigars or
36 moist snuff.

37 (3) For reporting periods beginning on or after July 1, 2022, the rates of tax applicable to moist
38 snuff under subsection (2)(b) of this section shall be adjusted for each biennium according to the
39 cost-of-living adjustment for the calendar year. The Department of Revenue shall recompute the
40 rates for each biennium by adding to the rates in subsection (2)(b) of this section the product ob-
41 tained by multiplying the rates in subsection (2)(b) of this section by a factor that is equal to 0.25
42 multiplied by the percentage (if any) by which the monthly averaged U.S. City Average Consumer
43 Price Index for the 12 consecutive months ending August 31 of the prior calendar year exceeds the
44 monthly averaged U.S. City Average Consumer Price Index for the 12 consecutive months ending
45 August 31, 2020.

1 (4) If the tax imposed under this section does not equal an amount calculable to a whole cent,
 2 the tax shall be equal to the next higher whole cent. However, the amount remitted to the Depart-
 3 ment of Revenue by the taxpayer for each quarter shall be equal only to 98.5 percent of the total
 4 taxes due and payable by the taxpayer for the quarter.

5 (5) A tax under this section is not imposed on inhalant delivery systems that are:

6 (a) Marketed and sold solely for the purpose of vaporizing or aerosolizing [*marijuana*] **cannabis**
 7 items as defined in ORS 475C.009; or

8 (b) Purchased in a medical [*marijuana*] **cannabis** dispensary that is registered under ORS
 9 475C.833 by a person to whom a registry identification card has been issued under ORS 475C.783.

10 (6) No tobacco product shall be subject to the tax if the base product or other intermediate form
 11 thereof has previously been taxed under this section.

12 **SECTION 30.** ORS 327.008 is amended to read:

13 327.008. (1)(a) There is established a State School Fund in the General Fund.

14 (b) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts,
 15 grants, donations and other moneys from public and private sources for the State School Fund.
 16 Moneys received as provided in this paragraph shall be deposited into the State School Fund.

17 (c) The State School Fund shall consist of moneys appropriated by the Legislative Assembly,
 18 moneys transferred from the Fund for Student Success, moneys transferred from the Education Sta-
 19 bility Fund and the Oregon [*Marijuana*] **Cannabis** Account and moneys received as provided in
 20 paragraph (b) of this subsection.

21 (d) The State School Fund is continuously appropriated to the Department of Education for the
 22 purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 327.356 to
 23 327.359, 336.575, 336.580, 336.635, 343.243, 343.533, 343.941 and 343.961.

24 (2) There shall be apportioned from the State School Fund to each school district a State School
 25 Fund grant, consisting of the positive amount equal to a general purpose grant and a transportation
 26 grant and a high cost disabilities grant minus local revenue, computed as provided in ORS 327.011
 27 and 327.013.

28 (3) For the first school year after a public charter school ceases to operate because of dissol-
 29 ution or closure or because of termination or nonrenewal of a charter, there shall be apportioned
 30 from the State School Fund to each school district that had sponsored a public charter school that
 31 ceased to operate an amount equal to the school district's general purpose grant per extended
 32 ADMw multiplied by five percent of the ADM of the public charter school for the previous school
 33 year.

34 (4) There shall be apportioned from the State School Fund to each education service district a
 35 State School Fund grant as calculated under ORS 327.019.

36 (5) All figures used in the determination of the distribution of the State School Fund shall be
 37 estimates for the same year as the distribution occurs, unless otherwise specified.

38 (6) Numbers of students in average daily membership used in the distribution formula shall be
 39 the numbers as of June of the year of distribution.

40 (7) Each biennium, the Department of Education may expend from the State School Fund no
 41 more than \$3 million for expenses incurred by the department in providing support to school dis-
 42 tricts, education service districts and public charter schools at any time before, during or after a
 43 threat or hazard that may affect a school district, an education service district or a public charter
 44 school and for the purpose of helping to improve the safety and security of students and staff.

45 (8) Each biennium, the Department of Education may expend from the State School Fund no

1 more than \$10 million for expenses incurred by the Office of School Facilities under ORS 326.125
2 (1)(b) to (g).

3 (9) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Facil-
4 ity Account established in ORS 327.022 the amount necessary to pay the costs of educational ser-
5 vices provided to students admitted to pediatric nursing facilities as provided in ORS 343.941.

6 (10) Each fiscal year, the Department of Education shall transfer the amount of \$55 million from
7 the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

8 (11)(a) Each biennium, the Department of Education shall transfer \$39.5 million from the State
9 School Fund to the Educator Advancement Fund established under ORS 342.953.

10 (b) For the purpose of making the transfer under this subsection:

11 (A) The total amount available for all distributions from the State School Fund shall be reduced
12 by \$6 million;

13 (B) The amount distributed to school districts from the State School Fund under this section and
14 ORS 327.013 shall be reduced by \$16.75 million; and

15 (C) The amount distributed to education service districts from the State School Fund under this
16 section and ORS 327.019 shall be reduced by \$16.75 million.

17 (c) For each biennium, the amounts identified in this subsection shall be adjusted by the same
18 percentage by which the instructions furnished to state agencies by the Governor under ORS 291.204
19 direct the state agencies to adjust their agency budget requests for special payments under ORS
20 291.216 (6)(a)(C).

21 (12) Each biennium, the Department of Education shall transfer \$12.5 million from the State
22 School Fund to the Statewide English Language Learner Program Account established under ORS
23 327.344.

24 (13) Each fiscal year, the Department of Education may expend up to \$550,000 from the State
25 School Fund for the contract described in ORS 329.488. The amount distributed to education service
26 districts from the State School Fund under this section and ORS 327.019 shall be reduced by the
27 amount expended by the department under this subsection.

28 (14) Each biennium, the Department of Education may expend up to \$350,000 from the State
29 School Fund to provide administration of and support for the development of talented and gifted
30 education under ORS 343.404.

31 (15) Each biennium, the Department of Education may expend up to \$150,000 from the State
32 School Fund for the administration of a program to increase the number of licensed speech-language
33 pathologists and certified speech-language pathology assistants under ORS 348.398.

34 (16) Each biennium, the Department of Education shall transfer \$2 million from the State School
35 Fund for deposit to the Healthy School Facilities Fund established under ORS 332.337.
36 Notwithstanding ORS 332.337, the department may expend moneys received in the Healthy School
37 Facilities Fund under this subsection only as grants for costs associated with testing for elevated
38 levels of lead in water used for drinking or food preparation.

39 (17) Each biennium, the Department of Education shall transfer an amount not to exceed
40 \$5,595,000 for the purpose of making tampons and sanitary pads available as provided by ORS
41 326.545.

42 (18) Each fiscal year, the Department of Education shall transfer the amount of \$2.5 million from
43 the State School Fund to the Small School District Supplement Fund established in ORS 327.359.

44 (19) Each biennium, the Department of Education shall transfer to the Oregon Military Depart-
45 ment the amount necessary to pay the costs of educational services provided to students admitted

1 to programs operated by the military department for at-risk youth, as described in ORS 396.360, that
 2 are outstanding after any General Fund appropriations and the calculation of available federal funds
 3 for the programs.

4 **SECTION 31.** ORS 419A.015 is amended to read:

5 419A.015. (1)(a) Once each month, a county juvenile department shall provide to school admin-
 6 istrators of schools or of school districts in the county a list of all adjudicated youths enrolled in
 7 a school in the county who are on probation by order of the juvenile court in the county. The de-
 8 partment shall include in the list the name and business telephone number of the juvenile counselor
 9 assigned to each case.

10 (b) When an adjudicated youth who is on probation transfers from one school or school district
 11 to a different school or school district, the juvenile counselor assigned to the case shall notify the
 12 school administrator of the school or of the school district to which the adjudicated youth has
 13 transferred of the adjudicated youth's probation status. The juvenile counselor shall make the no-
 14 tification no later than 72 hours after the juvenile counselor knows of the transfer.

15 (2) Upon request by the school administrator, the juvenile department shall provide additional
 16 information, including the offense that brought the adjudicated youth within the jurisdiction of the
 17 juvenile court and such other information that is subject to disclosure under ORS 419A.255 (6).

18 (3) In addition to the general notification required by subsection (1) of this section, the juvenile
 19 department shall notify the school administrator of the specific offense if the act bringing the adju-
 20 dicated youth within the jurisdiction of the juvenile court involved a firearm, delivery of a
 21 [*marijuana*] **cannabis** item as defined in ORS 475C.009 or delivery of a controlled substance.

22 (4) When a school administrator receives any notice under this section, the school administrator
 23 may disclose the information only to school personnel, as defined in ORS 339.326, who the school
 24 administrator determines need the information in order to safeguard the safety and security of the
 25 school, students and staff. A person to whom personally identifiable information is disclosed under
 26 this subsection may not disclose the information to another person except to carry out the pro-
 27 visions of this subsection.

28 (5) Except as otherwise provided in ORS 192.431, a juvenile department, school district or school
 29 administrator, or anyone employed or acting on behalf of a juvenile department, school district or
 30 school administrator, who sends or receives records under this section is not civilly or criminally
 31 liable for failing to disclose the information under this section.

32 (6) As used in this section, "school administrator" has the meaning given that term in ORS
 33 419A.305.

34 **SECTION 32.** ORS 419A.265 is amended to read:

35 419A.265. Notwithstanding ORS 419A.262 (2)(a), a person is eligible for an order of expunction
 36 under ORS 419A.262 if the person was adjudicated for committing an act that, if committed by an
 37 adult, would constitute a criminal offense in which possession, delivery or manufacture of
 38 [*marijuana*] **cannabis** or a [*marijuana*] **cannabis** item as defined in ORS 475C.009 is an element and:

39 (1) The court finds that at least one year has elapsed since the date of the person's most recent
 40 termination;

41 (2) The applicant has not been adjudicated or convicted for any other act or offense, excluding
 42 motor vehicle violations; and

43 (3) The applicant has complied with and performed all conditions of the adjudication.

44 **SECTION 33.** ORS 419A.300 is amended to read:

45 419A.300. (1)(a) Once each month, the Department of Human Services shall provide to each

1 school district a list of all young persons enrolled in a school in the school district who are on
 2 conditional release. The department shall include in the list the name and business telephone num-
 3 ber of the caseworker assigned to each case.

4 (b) When a young person who is on conditional release transfers from one school district to a
 5 different school district, the caseworker assigned to the case shall notify the superintendent of the
 6 school district to which the young person has transferred of the young person's status. The
 7 caseworker shall make the notification no later than 72 hours after the caseworker knows of the
 8 transfer.

9 (2) Upon request by the superintendent of the school district in which a young person is enrolled
 10 or the superintendent's designee, the department shall provide additional information, including the
 11 offense that brought the young person within the jurisdiction of the juvenile court and such other
 12 information that is subject to disclosure under ORS 419A.255 (6).

13 (3) In addition to the general notification required by subsection (1) of this section, the depart-
 14 ment shall notify the superintendent or the superintendent's designee of the specific offense and
 15 whether the act involved a firearm, delivery of a [*marijuana*] **cannabis** item as defined in ORS
 16 475C.009 or delivery of a controlled substance.

17 (4) ORS 419A.015 (4) and (5) apply to persons sending or receiving records under this section.

18 **SECTION 34.** ORS 419A.305 is amended to read:

19 419A.305. (1) As used in this section:

20 (a) "Principal" means a person having general administrative control and supervision of a
 21 school.

22 (b) "School administrator" means:

23 (A) The superintendent of the school district in which a youth attends school, or the designee
 24 of the superintendent, if the youth attends a public school that is not a public charter school;

25 (B) The principal of a public charter school, if the youth attends a public charter school;

26 (C) The principal of a private school that provides education to one or more instructional levels
 27 from kindergarten through grade 12 or equivalent instructional levels, if the youth attends a private
 28 school;

29 (D) The superintendent of the school district in which the youth resides, or the designee of the
 30 superintendent, if the school that the youth attends is not known by the person giving notice;

31 (E) The director of the Oregon School for the Deaf; or

32 (F) The Superintendent of Public Instruction if the youth is in an educational program under the
 33 Youth Corrections Education Program or in an approved recovery school.

34 (c) "School district" has the meaning given that term in ORS 332.002.

35 (2) Notice shall be given to a school administrator when:

36 (a) A youth makes a first appearance before the juvenile court on a petition described in sub-
 37 section (7) of this section alleging that the youth is within the jurisdiction of the juvenile court
 38 under ORS 419C.005.

39 (b) A youth admits to being within the jurisdiction of the juvenile court as provided in ORS
 40 419C.005 on a petition described in subsection (7) of this section or is adjudicated by a juvenile court
 41 to be within its jurisdiction on a petition described in subsection (7) of this section.

42 (c) A youth is found responsible except for insanity under ORS 419C.411.

43 (d) Notice had been given as provided by paragraph (a) or (b) of this subsection and the juvenile
 44 court:

45 (A) Sets aside or dismisses the petition as provided in ORS 419C.261; or

1 (B) Determines that the youth is not within the jurisdiction of the juvenile court after a hearing
2 on the merits of the petition.

3 (3) A notice required by subsection (2) of this section shall be given by:

4 (a) The district attorney;

5 (b) In the case of a petition filed under ORS 419C.250, the person who filed the petition;

6 (c) In the case of a person prosecuting a case who is not the district attorney, the person who
7 is prosecuting the case; or

8 (d) In the case of a juvenile department that has agreed to be responsible for providing the no-
9 tices required under this section, the juvenile department.

10 (4) A notice required under subsection (2) of this section may be communicated by mail or other
11 means of delivery, including but not limited to electronic transmission. A notice must include:

12 (a) The name and date of birth of the youth;

13 (b) The names and addresses of the youth's parents or guardians;

14 (c) The alleged basis for the juvenile court's jurisdiction over the youth;

15 (d) The act alleged in the petition that, if committed by an adult, would constitute a crime;

16 (e) The name and contact information of the attorney for the youth, if known;

17 (f) The name and contact information of the individual to contact for further information about
18 the notice;

19 (g) If applicable, the portion of the juvenile court order providing for the legal disposition of the
20 youth;

21 (h) Any conditions of release or terms of probation; and

22 (i) Any other conditions required by the court.

23 (5) In addition to the information required by subsection (4) of this section:

24 (a) A notice required by subsection (2)(a) of this section shall contain substantially the following
25 statement: "This notice is to inform you that a student who attends your school may come under the
26 jurisdiction of the juvenile court as the result of a petition filed with the juvenile court. The student
27 has not yet been determined to be within the jurisdiction of the juvenile court nor to have commit-
28 ted any violations of law. The allegation pending before the juvenile court must not be discussed
29 with the student."

30 (b) A notice required by subsection (2)(b) of this section shall contain substantially the following
31 statement: "This notice is to inform you that a student who attends your school has come under the
32 jurisdiction of the juvenile court as the result of a petition filed with the juvenile court. There may
33 be pending juvenile court hearings or proceedings, and a disposition order may not yet have been
34 entered by the court. The allegation pending before the juvenile court must not be discussed with
35 the student."

36 (c) A notice required by subsection (2)(c) of this section shall contain substantially the following
37 statement: "This notice is to inform you that a disposition order has been entered in a case involv-
38 ing a student who attends your school about whom a previous notice was sent. The disposition order
39 finds the student to be responsible except for insanity under ORS 419C.411 for the act alleged in the
40 petition filed with the juvenile court. The case should not be discussed with the student."

41 (d) A notice required by subsection (2)(d) of this section shall contain substantially the following
42 statement: "This notice is to inform you that a petition involving a student who attends your school
43 about whom a previous notice was sent has been set aside or dismissed or the juvenile court has
44 determined the student is not within its jurisdiction. The notice and any documents or information
45 related to the notice in the student's education records should be removed and destroyed upon re-

1 ceipt of this notice. The case should not be discussed with the student.”

2 (6) A notice required under subsection (2) of this section must be given within 15 days after:

3 (a) The youth makes a first appearance before the juvenile court on a petition;

4 (b) The youth admits to being within the jurisdiction of the juvenile court;

5 (c) The youth is adjudicated by a juvenile court to be within the jurisdiction of the court;

6 (d) The petition is dismissed or set aside;

7 (e) The juvenile court determines that the youth is not within the jurisdiction of the juvenile
8 court after a hearing on the merits of the petition; or

9 (f) The juvenile court enters a disposition order finding the youth responsible except for insanity
10 under ORS 419C.411.

11 (7) This section applies to petitions filed alleging that the youth engaged in:

12 (a) Conduct that, if committed by an adult, would constitute a crime that:

13 (A) Involves serious physical injury or threatened serious physical injury to another person, in-
14 cluding criminal homicide, felony assault or any attempt to cause serious physical injury to another
15 person;

16 (B) Involves the sexual assault of an animal or animal abuse in any degree;

17 (C) Is a felony sex offense listed in ORS 163A.005, except for rape in the third degree under ORS
18 163.355 or incest under ORS 163.525;

19 (D) Involves a weapon, as defined in ORS 166.360, or the threatened use of a weapon;

20 (E) Involves the possession or manufacture of a destructive device, as defined in ORS 166.382,
21 or possession of a hoax destructive device, as defined in ORS 166.385; or

22 (F) Involves an offense in which an element of the crime is:

23 (i) Manufacture of a controlled substance or a [*marijuana*] **cannabis** item as defined in ORS
24 475C.009;

25 (ii) Delivery of a controlled substance or a [*marijuana*] **cannabis** item as defined in ORS
26 475C.009 in conjunction with conduct described in subparagraph (A) of this paragraph; or

27 (iii) Delivery of a controlled substance or a [*marijuana*] **cannabis** item as defined in ORS
28 475C.009 to a person under 18 years of age; or

29 (b) Conduct that is of such a nature that the court determines notice is necessary to safeguard
30 the safety and security of the school, students and staff. The person or entity responsible for giving
31 notice under subsection (3) of this section shall request that the court make the determination under
32 this paragraph when the person or entity believes notice is necessary to safeguard the safety and
33 security of the school, students and staff and the conduct involves an offense under ORS 163.160.

34 (8) Except as otherwise provided in ORS 192.431, a person who sends or receives notice under
35 this section is not civilly or criminally liable for failing to disclose the information under this sec-
36 tion.

37 **SECTION 35.** ORS 420.048 is amended to read:

38 420.048. (1)(a) When an adjudicated youth who is in the legal custody of the Oregon Youth Au-
39 thority transfers from one school or school district to a different school or school district, the per-
40 son responsible for supervising the adjudicated youth shall notify the school administrator of the
41 school or of the school district to which the adjudicated youth has transferred of the adjudicated
42 youth’s status as an adjudicated youth. The person shall make the notification no later than 72
43 hours after the person knows of the transfer.

44 (b) When a school administrator receives notification under this section, the school administra-
45 tor may request the Oregon Youth Authority to provide additional information about the adjudicated

1 youth. The youth authority shall provide additional information, including the offense that brought
 2 the adjudicated youth within the jurisdiction of the juvenile court and such other information that
 3 is subject to disclosure under ORS 419A.255 (6).

4 (2) The youth authority shall include in the notice the following:

5 (a) The name and date of birth of the adjudicated youth;

6 (b) The names and addresses of the adjudicated youth’s parents or guardians;

7 (c) The name and contact information of the attorney for the adjudicated youth, if known;

8 (d) The name and contact information of the person giving notice under subsection (1) of this
 9 section or the person’s designated representative to contact for further information about the notice;

10 (e) The specific offense that brought the adjudicated youth within the jurisdiction of the juvenile
 11 court and whether it involved a firearm, the delivery of a [*marijuana*] **cannabis** item as defined in
 12 ORS 475C.009 or the delivery of a controlled substance, a violation of ORS 163.355 to 163.445 or
 13 163.465 or any other offense if the youth authority or juvenile court believes the adjudicated youth
 14 represents a risk to other students or school staff; and

15 (f) Any terms of probation.

16 (3) Except as otherwise provided in ORS 192.431, the youth authority, a school district or a
 17 school administrator, or anyone employed or acting on behalf of the youth authority, school district
 18 or school administrator, who sends or receives records under this section is not liable civilly or
 19 criminally for failing to disclose the information under this section.

20 (4) As used in this section:

21 (a) “School administrator” has the meaning given that term in ORS 419A.305.

22 (b) “School district” has the meaning given that term in ORS 332.002.

23 **SECTION 36.** ORS 430.384, as amended by section 67, chapter 70, Oregon Laws 2024, is
 24 amended to read:

25 430.384. (1) The Drug Treatment and Recovery Services Fund is established in the State Treas-
 26 ury, separate and distinct from the General Fund. Interest earned by the Drug Treatment and Re-
 27 covery Services Fund shall be credited to the fund.

28 (2) The Drug Treatment and Recovery Services Fund shall consist of:

29 (a) Moneys appropriated or otherwise transferred to the fund by the Legislative Assembly;

30 (b) Moneys allocated from the Oregon [*Marijuana*] **Cannabis** Account, pursuant to ORS 475C.726
 31 (3)(b); and

32 (c) All other moneys deposited into the fund from any source.

33 (3) Moneys in the fund shall be continuously appropriated to the Oregon Health Authority for
 34 the purposes set forth in ORS 430.389.

35 (4)(a) Pursuant to subsection (2)(a) of this section, the Legislative Assembly shall appropriate
 36 or transfer to the fund an amount sufficient to fully fund the grants program required by ORS
 37 430.389.

38 (b) The total amount deposited and transferred into the fund shall not be less than \$57 million
 39 for the first year ORS 430.383 to 430.390 and 430.394 are in effect.

40 (c) In each subsequent year, the minimum transfer amount set forth in paragraph (b) of this
 41 subsection shall be increased by not less than the sum of:

42 (A) \$57 million multiplied by the percentage, if any, by which the monthly averaged U.S. City
 43 Average Consumer Price Index for the 12 consecutive months ending August 31 of the prior calendar
 44 year exceeds the monthly index for the fourth quarter of the calendar year 2020; and

45 (B) The annual increase, if any, in moneys distributed pursuant to ORS 475C.726 (3)(b).

1 **SECTION 37.** ORS 431A.196 is amended to read:

2 431A.196. Notwithstanding ORS 431A.194, ORS 431A.190 to 431A.216 do not apply to a person
3 making a retail sale of an inhalant delivery system at a medical [*marijuana*] **cannabis** dispensary
4 registered under ORS 475C.833 or at a premises for which a license has been issued under ORS
5 475C.097, unless the person makes a retail sale of an inhalant delivery system that contains nicotine.

6 **SECTION 38.** ORS 433.850 is amended to read:

7 433.850. (1) An employer:

8 (a) Shall provide for employees a place of employment that is free of all smoke, aerosols and
9 vapors containing inhalants; and

10 (b) May not allow employees to smoke, aerosolize or vaporize inhalants at the place of employ-
11 ment.

12 (2) Notwithstanding subsection (1) of this section:

13 (a) The owner or person in charge of a hotel or motel may designate up to 25 percent of the
14 sleeping rooms of the hotel or motel as rooms in which the smoking, aerosolizing or vaporizing of
15 inhalants is permitted.

16 (b) Smoking of noncommercial tobacco products for ceremonial purposes is permitted in spaces
17 designated for traditional ceremonies in accordance with the American Indian Religious Freedom
18 Act, 42 U.S.C. 1996.

19 (c) The smoking of tobacco products is permitted in a smoke shop.

20 (d) The smoking of cigars is permitted in a cigar bar that generated on-site retail sales of cigars
21 of at least \$5,000 for the calendar year ending December 31, 2006.

22 (e) A performer may smoke or carry a lighted smoking instrument that does not contain tobacco
23 or cannabis, and may aerosolize or vaporize a substance that does not contain nicotine or a
24 cannabinoid, while performing in a scripted stage, motion picture or television production if:

25 (A) The production is produced by an organization whose primary purpose is producing scripted
26 productions; and

27 (B) The act of smoking, aerosolizing or vaporizing is an integral part of the production.

28 (f) The medical use of [*marijuana*] **cannabis** is permitted in the place of employment of a
29 licensee of a professional licensing board as described in ORS 475C.892.

30 (3) An employer, except in those places described in subsection (2) of this section, shall post
31 signs that provide notice of the provisions of ORS 433.835 to 433.875.

32 **SECTION 39.** ORS 471.001 is amended to read:

33 471.001. As used in this chapter and ORS chapter 473:

34 (1) "Alcoholic beverage" and "alcoholic liquor" mean any liquid or solid containing more than
35 one-half of one percent alcohol by volume and capable of being consumed by a human being.

36 (2) "Commercial establishment" means a place of business:

37 (a) Where food is cooked and served;

38 (b) That has kitchen facilities adequate for the preparation and serving of meals;

39 (c) That has dining facilities adequate for the serving and consumption of meals; and

40 (d) That:

41 (A) If not a for-profit private club, serves meals to the general public; or

42 (B) If a for-profit private club, serves meals to the club's members and guests and complies with
43 any minimum membership and food service requirements established by Oregon Liquor and Cannabis
44 Commission rules.

45 (3) "Commission" means the Oregon Liquor and Cannabis Commission.

1 (4) “Distilled liquor” means any alcoholic beverage other than a wine, cider or malt beverage.
2 “Distilled liquor” includes distilled spirits.

3 (5) “Licensee” means any person holding a license issued under this chapter.

4 (6)(a) “Malt beverage” means beer, ale, porter, stout and other similar fermented beverages that
5 contain more than one-half of one percent and not more than 16 percent of alcohol by volume and
6 that are brewed or produced from malt, wholly or in part, or from rice, grain, bran, glucose, sugar
7 or molasses as a substitute for malt.

8 (b) “Malt beverage” does not include cider, mead, sake or wine.

9 (7) “Manufacturer” means every person who produces, brews, ferments, manufactures or blends
10 an alcoholic beverage within this state or who imports or causes to be imported into this state an
11 alcoholic beverage for sale or distribution within the state.

12 (8) “Permittee” means a person holding a permit issued under ORS 471.360 to 471.385.

13 (9) “Premises” or “licensed premises” means a location licensed under this chapter and includes
14 all enclosed areas at the location that are used in the business operated at the location, including
15 offices, kitchens, rest rooms and storerooms, including all public and private areas where patrons
16 are permitted to be present. “Premises” or “licensed premises” includes areas outside of a building
17 that the commission has specifically designated as approved for alcoholic beverage service or con-
18 sumption.

19 (10) “Regulatory specialist” means a full-time employee of the commission who is authorized to
20 act as an agent of the commission in conducting inspections or investigations, making arrests and
21 seizures, aiding in prosecutions for offenses, issuing citations for violations and otherwise enforcing
22 this chapter, ORS 474.005 to 474.095, 474.115, 475C.005 to 475C.525, 475C.540 to 475C.586 and
23 475C.600 to 475C.648, commission rules and any other statutes the commission considers related to
24 regulating liquor, [*marijuana*] **cannabis** or [*marijuana-derived*] **cannabis-derived** products.

25 (11) “Wine” means any fermented vinous liquor or fruit juice, or other fermented beverage fit
26 for beverage purposes that is not a malt beverage, containing more than one-half of one percent of
27 alcohol by volume and not more than 21 percent of alcohol by volume. “Wine” includes fortified
28 wine. “Wine” does not include cider.

29 **SECTION 40.** ORS 475.245, as amended by section 53, chapter 70, Oregon Laws 2024, is
30 amended to read:

31 475.245. (1)(a) Whenever a person is charged with an offense listed in subsection (5) of this sec-
32 tion, the court, with the consent of the district attorney and the person, may defer further pro-
33 ceedings and place the person on probation. The terms of the probation shall be defined by a
34 probation agreement.

35 (b) A probation agreement carries the understanding that if the defendant fulfills the terms of
36 the agreement, the criminal charges filed against the defendant will be dismissed with prejudice.

37 (c) The agreement must contain a waiver of the following rights of the defendant with respect
38 to each criminal charge:

39 (A) The right to a speedy trial and trial by jury;

40 (B) The right to present evidence on the defendant’s behalf;

41 (C) The right to confront and cross-examine witnesses against the defendant;

42 (D) The right to contest evidence presented against the defendant, including the right to object
43 to hearsay evidence; and

44 (E) The right to appeal from a judgment of conviction resulting from an adjudication of guilt
45 entered under subsection (2) of this section, unless the appeal is based on an allegation that the

1 sentence exceeds the maximum allowed by law or constitutes cruel and unusual punishment.

2 (d) The agreement must include a requirement that the defendant pay any restitution owed to
3 the victim as determined by the court, and any fees for court-appointed counsel ordered by the court
4 under ORS 135.050.

5 (e) The agreement may not contain a requirement that the defendant enter a plea of guilty or
6 no contest on any charge in the accusatory instrument.

7 (f) Entering into a probation agreement does not constitute an admission of guilt and is not
8 sufficient to warrant a finding or adjudication of guilt by a court.

9 (g) Police reports or other documents associated with the criminal charges in a court file other
10 than the probation agreement may not be admitted into evidence, and do not establish a factual
11 basis for finding the defendant guilty, unless the court resumes criminal proceedings and enters an
12 adjudication of guilt under subsection (2) of this section.

13 (2) Upon violation of a term or condition of the probation agreement, the court may impose
14 sanctions of up to a total of 30 days of imprisonment, or resume the criminal proceedings and may
15 find the defendant guilty of the offenses in the accusatory instrument in accordance with the waiver
16 of rights in the probation agreement. The defendant may not contest the sufficiency of the evidence
17 establishing the defendant's guilt of the offenses in the accusatory instrument.

18 (3) Upon fulfillment of the terms and conditions of the probation agreement, the court shall
19 discharge the person and dismiss the proceedings against the person. Discharge and dismissal under
20 this section shall be without adjudication of guilt and is not a conviction for purposes of this section
21 or for purposes of disqualifications or disabilities imposed by law upon conviction of a crime. There
22 may be only one discharge and dismissal under this section with respect to any person.

23 (4) In the event that the period of probation under this section expires, but the terms and con-
24 ditions of the probation agreement have not been fulfilled and no probation violation proceeding was
25 initiated prior to the expiration of the period of probation, the court may not discharge the person
26 and dismiss the proceedings against the person. The court shall instead issue an order requiring the
27 person to appear and to show cause why the court should not enter an adjudication of guilt as de-
28 scribed in subsection (2) of this section due to the failure of the person to fulfill the terms and
29 conditions of the probation agreement prior to expiration of the period of probation. At the hearing
30 on the order to show cause, after considering any evidence or argument from the district attorney
31 and the person, the court may:

32 (a) Order a new period of probation to allow the person to fulfill the terms and conditions of the
33 probation agreement; or

34 (b) Enter an adjudication of guilt as described in subsection (2) of this section.

35 (5) This section applies to the following offenses:

36 (a) Possession of a controlled substance under ORS 475.752 (3), 475.814, 475.824, 475.834, 475.854,
37 475.874, 475.884 or 475.894;

38 (b) Unlawfully possessing a prescription drug under ORS 689.527 (6);

39 (c) Unlawfully possessing [*marijuana*] **cannabis** plants, usable [*marijuana*] **cannabis**,
40 cannabinoid products, cannabinoid concentrates or cannabinoid extracts as described in ORS
41 475C.337 or 475C.341, if the offense is a misdemeanor or felony;

42 (d) Endangering the welfare of a minor under ORS 163.575 (1)(b);

43 (e) Frequenting a place where controlled substances are used under ORS 167.222; and

44 (f) A property offense that is motivated by a dependence on a controlled substance or a
45 [*marijuana*] **cannabis** item as defined in ORS 475C.009.

1 **SECTION 41.** ORS 475.525 is amended to read:

2 475.525. (1) It is unlawful for any person to sell or deliver, possess with intent to sell or deliver
3 or manufacture with intent to sell or deliver drug paraphernalia, knowing that it will be used to
4 unlawfully plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce,
5 process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale or other-
6 wise introduce into the human body a controlled substance as defined by ORS 475.005.

7 (2) For the purposes of this section, “drug paraphernalia” means all equipment, products and
8 materials of any kind that are marketed for use or designed for use in planting, propagating, culti-
9 vating, growing, harvesting, manufacturing, compounding, converting, producing, processing, pre-
10 paring, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting,
11 ingesting, inhaling or otherwise introducing into the human body a controlled substance in violation
12 of ORS 475.752 to 475.980. Drug paraphernalia includes, but is not limited to:

13 (a) Kits marketed for use or designed for use in unlawfully planting, propagating, cultivating,
14 growing or harvesting of any species of plant that is a controlled substance or from which a con-
15 trolled substance can be derived;

16 (b) Kits marketed for use or designed for use in manufacturing, compounding, converting,
17 producing, processing or preparing controlled substances;

18 (c) Isomerization devices marketed for use or designed for use in increasing the potency of any
19 species of plant that is a controlled substance;

20 (d) Scales and balances marketed for use or designed for use in weighing or measuring con-
21 trolled substances;

22 (e) Diluents and adulterants, such as quinine hydrochloride, mannitol, mannite, dextrose and
23 lactose, marketed for use or designed for use in cutting controlled substances;

24 (f) Lighting equipment specifically designed for growing controlled substances;

25 (g) Containers and other objects marketed for use or designed for use in storing or concealing
26 controlled substances; and

27 (h) Objects marketed for use or designed specifically for use in ingesting, inhaling or otherwise
28 introducing a controlled substance into the human body, such as:

29 (A) Smoking and carburetion masks;

30 (B) Roach clips, meaning objects used to hold burning material that has become too small or too
31 short to be held in the hand; or

32 (C) Miniature cocaine spoons and cocaine vials.

33 (3) For purposes of this section, “drug paraphernalia” does not include hypodermic syringes or
34 needles, single-use drug test strips, drug testing tools or any other item designed to prevent or re-
35 duce the potential harm associated with the use of controlled substances, including but not limited
36 to items that reduce the transmission of infectious disease or prevent injury, infection or overdose.

37 (4) The provisions of ORS 475.525 to 475.565 do not apply to persons registered under the pro-
38 visions of ORS 475.125 or to persons specified as exempt from registration under the provisions of
39 that statute.

40 (5)(a) The provisions of ORS 475.525 to 475.565 do not apply to a person who sells or delivers
41 [*marijuana*] **cannabis** paraphernalia as defined in ORS 475C.373 to a person 21 years of age or older.

42 (b) In determining whether an object is drug paraphernalia under this section or [*marijuana*]
43 **cannabis** paraphernalia under ORS 475C.373, a trier of fact shall consider, in addition to any other
44 relevant factor, the following:

45 (A) Any oral or written instruction provided with the object related to the object’s use;

- 1 (B) Any descriptive material packaged with the object that explains or depicts the object’s use;
- 2 (C) Any national or local advertising related to the object’s use;
- 3 (D) Any proffered expert testimony related to the object’s use;
- 4 (E) The manner in which the object is displayed for sale, if applicable; and
- 5 (F) Any other proffered evidence substantiating the object’s intended use.

6 (6) A person acting in good faith is immune from civil liability for any act or omission of an
 7 acting committed during the course of distributing an item described in subsection (3) of this section.

8 **SECTION 42.** ORS 475A.225 is amended to read:

9 475A.225. [*Members; terms; meetings; compensation.*] (1)(a) The Oregon Psilocybin Advisory Board
 10 is established within the Oregon Health Authority for the purpose of advising and making recom-
 11 mendations to the authority. The Oregon Psilocybin Advisory Board shall consist of:

- 12 (A) 14 to 16 members appointed by the Governor as specified in paragraph (b) of this subsection;
- 13 (B) The Public Health Director or the Public Health Director’s designee;
- 14 (C) If the Public Health Director is not the State Health Officer, the State Health Officer or a
 15 physician licensed under ORS chapter 677 acting as the State Health Officer’s designee;
- 16 (D) If the Public Health Director is the State Health Officer, a representative from the Oregon
 17 Health Authority who is familiar with public health programs and public health activities in this
 18 state; and
- 19 (E) A designee of the Oregon Health Policy Board.

20 (b) The Governor shall appoint the following individuals to the board:

- 21 (A) Any four of the following:
 - 22 (i) A state employee who has technical expertise in the field of public health;
 - 23 (ii) A local health officer, as defined in ORS 431.003;
 - 24 (iii) An individual who is a member of, or who represents, a federally recognized Indian tribe in
 25 this state;
 - 26 (iv) An individual who is a member of, or who represents, the Addictions and Mental Health
 27 Planning and Advisory Council within the authority;
 - 28 (v) An individual who is a member of, or who represents, the Health Equity Policy Committee
 29 within the authority;
 - 30 (vi) An individual who is a member of, or who represents, the Palliative Care and Quality of
 31 Life Interdisciplinary Advisory Council within the authority; and
 - 32 (vii) An individual who represents individuals who provide public health services directly to the
 33 public;

34 (B) A psychologist licensed under ORS chapter 675 who has professional experience engaging
 35 in the diagnosis or treatment of a mental, emotional, or behavioral condition;

36 (C) A physician licensed under ORS chapter 677 who holds a degree of Doctor of Medicine;

37 (D) A naturopathic physician licensed under ORS chapter 685;

38 (E) An expert in the field of public health who has a background in academia;

39 (F) Any three of the following:

- 40 (i) A person who has professional experience conducting scientific research regarding the use
 41 of psychedelic compounds in clinical therapy;
- 42 (ii) A person who has experience in the field of mycology;
- 43 (iii) A person who has experience in the field of ethnobotany;
- 44 (iv) A person who has experience in the field of psychopharmacology; and
- 45 (v) A person who has experience in the field of psilocybin harm reduction;

1 (G) A person representing the Oregon Liquor and Cannabis Commission who has experience
2 working with the system developed and maintained by the commission under ORS 475C.177 for
3 tracking the transfer of [*marijuana*] **cannabis** items;

4 (H) A person representing the Department of Justice; and

5 (I) The following:

6 (i) During the two-year program development period:

7 (I) One of the chief petitioners of chapter 1, Oregon Laws 2021; and

8 (II) One or two at-large members; and

9 (ii) After the two-year program development period, one, two, or three at-large members.

10 (2)(a) The term of office for a board member appointed under this section is four years, but a
11 member serves at the pleasure of the Governor. Before the expiration of the term of a member, the
12 Governor shall appoint a successor whose term begins on January 1 next following. A member is
13 eligible for reappointment. If there is a vacancy for any cause, the Governor shall make an ap-
14 pointment to become immediately effective for the unexpired term.

15 (b) Members of the board described in subsection (1)(a)(B) to (E) of this section are nonvoting
16 ex officio members of the board.

17 (3) A majority of the voting members of the board constitutes a quorum for the transaction of
18 business.

19 (4) Official action by the board requires the approval of a majority of the voting members of the
20 board.

21 (5) The board shall elect one of its voting members to serve as chairperson.

22 (6) During the two-year program development period, the board shall meet at least once every
23 two calendar months at a time and place determined by the chairperson or a majority of the voting
24 members of the board. After the two-year program development period, the board shall meet at least
25 once every calendar quarter at a time and place determined by the chairperson or a majority of the
26 voting members of the board. The board also may meet at other times and places specified by the
27 call of the chairperson or of a majority of the voting members of the board.

28 (7) The board may adopt rules necessary for the operation of the board.

29 (8) The board may establish committees and subcommittees necessary for the operation of the
30 board.

31 (9) Members of the board are entitled to compensation and expenses as provided in ORS 292.495.

32 **SECTION 43.** ORS 475A.250 is amended to read:

33 475A.250. [*Grounds for refusing to issue license or issuing restricted license.*] (1) The Oregon
34 Health Authority may not license an applicant under the provisions of ORS 475A.210 to 475A.722
35 if the applicant is under 21 years of age.

36 (2) The authority may refuse to issue a license or may issue a restricted license to an applicant
37 under the provisions of ORS 475A.210 to 475A.722 if the authority makes a finding that the appli-
38 cant:

39 (a) Has not completed any education or training required by the provisions of ORS 475A.210 to
40 475A.722 or rules adopted under ORS 475A.210 to 475A.722.

41 (b) Has not passed any examination required by the provisions of ORS 475A.210 to 475A.722 or
42 rules adopted under ORS 475A.210 to 475A.722.

43 (c) Is in the habit of using alcoholic beverages, habit-forming drugs, or controlled substances to
44 excess.

45 (d) Has made false statements to the authority.

1 (e) Is incompetent or physically unable to carry on the management of the establishment pro-
 2 posed to be licensed.

3 (f) Has been convicted of violating a federal law, state law or local ordinance if the conviction
 4 is substantially related to the fitness and ability of the applicant to lawfully carry out activities
 5 under the license.

6 (g) Is not of good repute and moral character.

7 (h) Does not have a good record of compliance with ORS 475A.210 to 475A.722 or any rule
 8 adopted under ORS 475A.210 to 475A.722.

9 (i) Is not the legitimate owner of the premises proposed to be licensed, or has not disclosed that
 10 other persons have ownership interests in the premises proposed to be licensed.

11 (j) Has not demonstrated financial responsibility sufficient to adequately meet the requirements
 12 of the premises proposed to be licensed.

13 (k) Is unable to understand the laws of this state relating to psilocybin products, psilocybin
 14 services, or the rules adopted under ORS 475A.210 to 475A.722.

15 (3) Notwithstanding subsection (2)(f) of this section, in determining whether to issue a license
 16 or a restricted license to an applicant, the authority may not consider the prior conviction of the
 17 applicant or any owner, director, officer, manager, employee, agent or other representative of the
 18 applicant for:

19 (a) The manufacture of psilocybin or the manufacture of a [*marijuana*] **cannabis** item, as defined
 20 in ORS 475C.009, if:

21 (A) The date of the conviction is two or more years before the date of the application; and

22 (B) The person has not been convicted more than once for the manufacture of psilocybin or a
 23 [*marijuana*] **cannabis** item; or

24 (b) The possession of a controlled substance, as defined in ORS 475.005, or a [*marijuana*]
 25 **cannabis** item, as defined in ORS 475C.009, if:

26 (A) The date of the conviction is two or more years before the date of the application; or

27 (B) The person has not been convicted more than once for the possession of a controlled sub-
 28 stance or a [*marijuana*] **cannabis** item.

29 **SECTION 44.** ORS 475A.400 is amended to read:

30 475A.400. [*Use of Oregon Liquor Control Commission tracking system for psilocybin products; ex-*
 31 *emptions; rules.*] (1) The Oregon Health Authority shall:

32 (a) Develop and maintain a system for tracking the transfer of psilocybin products between
 33 premises for which licenses have been issued under ORS 475A.210 to 475A.722; or

34 (b) Enter into an agreement with the Oregon Liquor and Cannabis Commission under which the
 35 commission shall permit the authority to use the system developed and maintained under ORS
 36 475C.177 to track the transfer of psilocybin products between premises for which licenses have been
 37 issued under ORS 475A.210 to 475A.722.

38 (2) The purposes of the system include, but are not limited to:

39 (a) Preventing the diversion of psilocybin products to other states;

40 (b) Preventing persons from substituting or tampering with psilocybin products;

41 (c) Ensuring an accurate accounting of the production, processing and sale of psilocybin pro-
 42 ducts;

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

44 (e) Ensuring compliance with ORS 475A.210 to 475A.722, rules adopted under ORS 475A.210 to
 45 475A.722 and any other law of this state that charges the authority or commission with a duty,

1 function or power related to psilocybin.

2 (3) The system must be capable of tracking, at a minimum:

3 (a) The manufacturing of psilocybin products;

4 (b) The sale of psilocybin products by a psilocybin service center operator to a client;

5 (c) The sale and purchase of psilocybin products between licensees, as permitted by ORS
6 475A.210 to 475A.722;

7 (d) The transfer of psilocybin products between premises for which licenses have been issued
8 under ORS 475A.210 to 475A.722; and

9 (e) Any other information that the authority determines is reasonably necessary to accomplish
10 the duties, functions and powers of the authority under ORS 475A.210 to 475A.722.

11 (4) Notwithstanding ORS 475A.710, before making any other distribution from the Oregon
12 Psilocybin Account established under ORS 475A.710, the Department of Revenue shall first distrib-
13 ute moneys quarterly from the account to the commission for deposit in the [*Marijuana*] **Cannabis**
14 Control and Regulation Fund established under ORS 475C.297 for purposes of paying any costs in-
15 curred by the commission under subsection (1)(b) of this section. For purposes of estimating the
16 amount of moneys necessary to pay any costs incurred under this section, the commission shall es-
17 tablish a formulary based on expected costs for each licensee that is tracked under this section. The
18 commission shall provide to the Department of Revenue and the Legislative Fiscal Officer before
19 each quarter the estimated amount of moneys necessary to pay costs expected to be incurred under
20 this section and the formulary.

21 **SECTION 45.** ORS 475A.477 is amended to read:

22 475A.477. [*Grounds for revocation, suspension or restriction of license.*] The Oregon Health Au-
23 thority may revoke, suspend or restrict a license issued under ORS 475A.210 to 475A.722 or require
24 a licensee or licensee representative to undergo training if the authority finds or has reasonable
25 ground to believe any of the following to be true:

26 (1) That the licensee or licensee representative:

27 (a) Has violated a provision of ORS 475A.210 to 475A.722 or a rule adopted under ORS 475A.210
28 to 475A.722, including any code of professional conduct or code of ethics.

29 (b) Has made any false representation or statement to the authority in order to induce or pre-
30 vent action by the authority.

31 (c) Is insolvent or incompetent or physically unable to carry on the management of the estab-
32 lishment of the licensee.

33 (d) Is in the habit of using alcoholic liquor, **cannabis**, habit-forming drugs, [*marijuana*,]
34 psilocybin products or controlled substances to excess.

35 (e) Has misrepresented to a person or the public any psilocybin products sold by the licensee
36 or licensee representative.

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

40 (2) That there is any other reason that, in the opinion of the authority, based on public con-
41 venience or necessity, warrants revoking, suspending or restricting the license.

42 **SECTION 46.** ORS 475C.001 is amended to read:

43 475C.001. (1) The People of the State of Oregon declare that the purposes of ORS 475C.005 to
44 475C.525 are:

45 (a) To eliminate the problems caused by the prohibition and uncontrolled manufacture, delivery

1 and possession of [*marijuana*] **cannabis** within this state;

2 (b) To protect the safety, welfare, health and peace of the people of this state by prioritizing this
3 state’s limited law enforcement resources in the most effective, consistent and rational way;

4 (c) To permit persons licensed, controlled and regulated by this state to legally manufacture and
5 sell [*marijuana*] **cannabis** to persons 21 years of age and older, subject to the provisions of ORS
6 475C.005 to 475C.525; and

7 (d) To establish a comprehensive regulatory framework concerning [*marijuana*] **cannabis** under
8 existing state law.

9 (2) The People of the State of Oregon intend that the provisions of ORS 475C.005 to 475C.525,
10 together with other provisions of state law, will:

11 (a) Prevent the distribution of [*marijuana*] **cannabis** to persons under 21 years of age;

12 (b) Prevent revenue from the sale of [*marijuana*] **cannabis** from going to criminal enterprises,
13 gangs and cartels;

14 (c) Prevent the diversion of [*marijuana*] **cannabis** from this state to other states;

15 (d) Prevent [*marijuana*] **cannabis** activity that is legal under state law from being used as a
16 cover or pretext for the trafficking of other illegal drugs or other illegal activity;

17 (e) Prevent violence and the use of firearms in association with the cultivation and distribution
18 of [*marijuana*] **cannabis**;

19 (f) Prevent drugged driving and the exacerbation of other adverse public health consequences
20 associated with the use of [*marijuana*] **cannabis**;

21 (g) Prevent the growing of [*marijuana*] **cannabis** on public lands and the attendant public safety
22 and environmental dangers posed by [*marijuana*] **cannabis** production on public lands; and

23 (h) Prevent the possession and use of [*marijuana*] **cannabis** on federal property.

24 **SECTION 47.** ORS 475C.009 is amended to read:

25 475C.009. As used in ORS 475C.005 to 475C.525:

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

31 (2) “Adult use cannabis item” means:

32 (a) A [*marijuana*] **cannabis** item; or

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

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

37 (B) The greater of:

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

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

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

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

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

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

3 (C) Any other chemical substance identified by the commission, in consultation with the au-
4 thority and the department, by rule.

5 (4) “Cannabinoid” means any of the chemical compounds that are the active constituents derived
6 from [*marijuana*] **cannabis**.

7 (5) “Cannabinoid concentrate” means a substance obtained by separating cannabinoids from
8 [*marijuana*] **cannabis** by:

9 (a) A mechanical extraction process;

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

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

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

15 (6) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate,
16 cannabinoid extract or dried [*marijuana*] **cannabis** leaves or flowers have been incorporated.

17 (7) “Cannabinoid extract” means a substance obtained by separating cannabinoids from
18 [*marijuana*] **cannabis** by:

19 (a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane
20 or propane;

21 (b) A chemical extraction process using carbon dioxide, if the process uses high heat or pres-
22 sure; or

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

24 (8)(a) “Cannabinoid product” means a cannabinoid edible and any other product intended for
25 human consumption or use, including a product intended to be applied to the skin or hair, that
26 contains cannabinoids or dried [*marijuana*] **cannabis** leaves or flowers.

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

28 (A) Usable [*marijuana*] **cannabis** by itself;

29 (B) A cannabinoid concentrate by itself;

30 (C) A cannabinoid extract by itself; or

31 (D) Industrial hemp.

32 (9)(a) **“Cannabis” means the plant Cannabis family Cannabaceae, any part of the plant**
33 **Cannabis family Cannabaceae and cannabis seeds.**

34 (b) **“Cannabis” does not include:**

35 (A) **Industrial hemp; or**

36 (B) **Prescription drugs, as that term is defined in ORS 689.005, including those containing**
37 **one or more cannabinoids, that are approved by the United States Food and Drug Adminis-**
38 **tration and dispensed by a pharmacy, as defined in ORS 689.005.**

39 (10) **“Cannabis flowers” means the flowers of the plant genus Cannabis within the plant**
40 **family Cannabaceae.**

41 (11) **“Cannabis items” means cannabis, cannabinoid products, cannabinoid concentrates**
42 **and cannabinoid extracts.**

43 (12) **“Cannabis leaves” means the leaves of the plant genus Cannabis within the plant**
44 **family Cannabaceae.**

45 (13) **“Cannabis processor” means:**

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

2 (b) A person that holds a license issued under ORS 475C.085 and processes industrial
3 hemp commodities or products pursuant to ORS 571.336.

4 (14) “Cannabis producer” means a person that produces cannabis in this state.

5 (15) “Cannabis retailer” means a person that sells cannabis items to a consumer in this
6 state.

7 (16)(a) “Cannabis seeds” means the seeds of the plant Cannabis family Cannabaceae.

8 (b) “Cannabis seeds” does not include the seeds of industrial hemp.

9 (17) “Cannabis wholesaler” means a person that purchases cannabis items in this state
10 for resale to a person other than a consumer.

11 [(9)] (18) “Consumer” means a person who purchases, acquires, owns, holds or uses [*marijuana*]
12 **cannabis** items other than for the purpose of resale.

13 [(10)] (19) “Deliver” means the actual, constructive or attempted transfer from one person to
14 another of a [*marijuana*] **cannabis** item, whether or not there is an agency relationship.

15 [(11)] (20) “Delta-9-tetrahydrocannabinol” or “delta-9-THC” means (6aR,10aR)-6,6,9-
16 trimethyl-3-pentyl-6a,7,8,10a-tetrahydro-6H- benzo[c]chromen-1-ol.

17 [(12)] (21) “Delta-9-tetrahydrocannabinolic acid” or “delta-9-THCA” means (6aR,10aR)-
18 1-hydroxy-6,6,9-trimethyl-3-pentyl-6a,7,8,10a- tetrahydro-6H-benzo[c]chromene-2-carboxylic acid.

19 [(13)] (22) “Designated primary caregiver” has the meaning given that term in ORS 475C.777.

20 [(14)(a)] (23)(a) “Financial consideration” means value that is given or received either directly
21 or indirectly through sales, barter, trade, fees, charges, dues, contributions or donations.

22 (b) “Financial consideration” does not include [*marijuana*] **cannabis**, cannabinoid products or
23 cannabinoid concentrates that are delivered within the scope of and in compliance with ORS
24 475C.305.

25 [(15)] (24) “Homegrown” means grown by a person 21 years of age or older for noncommercial
26 purposes.

27 [(16)] (25) “Household” means a housing unit and any place in or around a housing unit at which
28 the occupants of the housing unit are producing, processing, possessing or storing homegrown
29 [*marijuana*] **cannabis**, cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

30 [(17)] (26) “Housing unit” means a house, an apartment or a mobile home, or a group of rooms
31 or a single room that is occupied as separate living quarters, in which the occupants live and eat
32 separately from any other persons in the building and that has direct access from the outside of the
33 building or through a common hall.

34 [(18)] (27) “Immature [*marijuana*] **cannabis** plant” means a [*marijuana*] **cannabis** plant that is
35 not flowering.

36 [(19)] (28) “Industrial hemp” has the meaning given that term in ORS 571.269.

37 [(20)] (29) “Licensee” means a person that holds a license issued under ORS 475C.065, 475C.085,
38 475C.093, 475C.097 or 475C.548.

39 [(21)] (30) “Licensee representative” means an owner, director, officer, manager, employee, agent
40 or other representative of a licensee, to the extent that the person acts in a representative capacity.

41 [(22)(a)] (31)(a) “Manufacture” means producing, propagating, preparing, compounding, convert-
42 ing or processing a [*marijuana*] **cannabis** item, either directly or indirectly, by extracting from
43 substances of natural origin.

44 (b) “Manufacture” includes any packaging or repackaging of a [*marijuana*] **cannabis** item or the
45 labeling or relabeling of a container containing a [*marijuana*] **cannabis** item.

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

3 [(b) “*Marijuana*” does not include:]

4 [(A) *Industrial hemp*; or]

5 [(B) *Prescription drugs*, as that term is defined in ORS 689.005, including those containing one or
6 more *cannabinoids*, that are approved by the United States Food and Drug Administration and dis-
7 pensed by a *pharmacy*, as defined in ORS 689.005.]

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

10 [(25) “*Marijuana items*” means *marijuana*, *cannabinoid products*, *cannabinoid concentrates* and
11 *cannabinoid extracts*.]

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

14 [(27) “*Marijuana processor*” means:]

15 [(a) A person that processes *marijuana items* in this state; or]

16 [(b) A person that holds a license issued under ORS 475C.085 and processes *industrial hemp*
17 *commodities* or *products* pursuant to ORS 571.336.]

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

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

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

21 [(b) “*Marijuana seeds*” does not include the seeds of *industrial hemp*.]

22 [(31) “*Marijuana wholesaler*” means a person that purchases *marijuana items* in this state for re-
23 sale to a person other than a consumer.]

24 (32) “*Mature [marijuana] cannabis plant*” means a *[marijuana] cannabis* plant that is not an
25 *immature [marijuana] cannabis* plant.

26 (33) “*Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid extract*”
27 means a *cannabinoid product, cannabinoid concentrate or cannabinoid extract* that has a concen-
28 tration of adult use *cannabinoids* that is permitted under ORS 475C.620 in a single serving of the
29 *cannabinoid product, cannabinoid concentrate or cannabinoid extract* for consumers who hold a
30 valid registry identification card issued under ORS 475C.783.

31 (34) “*Medical purpose*” means a purpose related to using usable *[marijuana] cannabis,*
32 *cannabinoid products, cannabinoid concentrates or cannabinoid extracts* to mitigate the symptoms
33 or effects of a debilitating medical condition, as defined in ORS 475C.777.

34 (35) “*Noncommercial*” means not dependent or conditioned upon the provision or receipt of fi-
35 nancial consideration.

36 (36)(a) “*Premises*” includes the following areas of a location licensed under ORS 475C.005 to
37 475C.525 or 475C.548:

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

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

42 (C) For a location that the commission has specifically licensed for the production of
43 *[marijuana] cannabis* outside a building, that portion of the location used to produce *[marijuana]*
44 *cannabis*.

45 (b) “*Premises*” does not include a primary residence.

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

2 (A) [*Marijuana*] **Cannabis** into cannabinoid products, cannabinoid concentrates or cannabinoid
3 extracts; or

4 (B) Pursuant to ORS 571.336, industrial hemp or industrial hemp commodities or products into
5 industrial hemp commodities or products that contain cannabinoids and are intended for human
6 consumption or use.

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

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

10 (b) “Produces” does not include:

11 (A) The drying of [*marijuana*] **cannabis** by a [*marijuana*] **cannabis** processor, if the
12 [*marijuana*] **cannabis** processor is not otherwise producing [*marijuana*] **cannabis**; or

13 (B) The cultivation and growing of an immature [*marijuana*] **cannabis** plant by a [*marijuana*]
14 **cannabis** processor, [*marijuana*] **cannabis** wholesaler or [*marijuana*] **cannabis** retailer if the
15 [*marijuana*] **cannabis** processor, [*marijuana*] **cannabis** wholesaler or [*marijuana*] **cannabis** retailer
16 purchased or otherwise received the plant from a licensed [*marijuana*] **cannabis** producer.

17 (39) “Propagate” means to grow immature [*marijuana*] **cannabis** plants or to breed or produce
18 [*marijuana*] **cannabis** seeds.

19 (40) “Public place” means a place to which the general public has access and includes, but is
20 not limited to, hallways, lobbies and other parts of apartment houses and hotels not constituting
21 rooms or apartments designed for actual residence, and highways, streets, schools, places of
22 amusement, parks, playgrounds and areas used in connection with public passenger transportation.

23 (41) “Registry identification cardholder” has the meaning given that term in ORS 475C.777.

24 (42) “Total delta-9-tetrahydrocannabinol” or “total delta-9-THC” means the sum of the concen-
25 tration or mass of delta-9-THCA multiplied by 0.877 plus the concentration or mass of delta-9-THC.

26 (43)(a) “Usable [*marijuana*] **cannabis**” means the dried leaves and flowers of [*marijuana*]
27 **cannabis**.

28 (b) “Usable [*marijuana*] **cannabis**” does not include:

29 (A) [*Marijuana*] **Cannabis** seeds;

30 (B) The stalks and roots of [*marijuana*] **cannabis**; or

31 (C) Waste material that is a by-product of producing or processing [*marijuana*] **cannabis**.

32 **SECTION 48.** ORS 475C.013 is amended to read:

33 475C.013. ORS 475C.005 to 475C.525 may not be construed:

34 (1) To amend or affect state or federal law pertaining to employment matters;

35 (2) To amend or affect state or federal law pertaining to landlord-tenant matters;

36 (3) To prohibit a recipient of a federal grant or an applicant for a federal grant from prohibiting
37 the manufacture, delivery, possession or use of [*marijuana*] **cannabis** to the extent necessary to
38 satisfy federal requirements for the grant;

39 (4) To prohibit a party to a federal contract or a person applying to be a party to a federal
40 contract from prohibiting the manufacture, delivery, possession or use of [*marijuana*] **cannabis** to
41 the extent necessary to comply with the terms and conditions of the contract or to satisfy federal
42 requirements for the contract;

43 (5) To require a person to violate a federal law;

44 (6) To exempt a person from a federal law or obstruct the enforcement of a federal law; or

45 (7) To amend or affect the Oregon Medical [*Marijuana*] **Cannabis** Act.

1 **SECTION 49.** ORS 475C.017 is amended to read:

2 475C.017. (1) The Oregon Liquor and Cannabis Commission has the duties, functions and powers
3 specified in ORS 475C.005 to 475C.525 and 475C.540 to 475C.586 and the powers necessary or proper
4 to enable the commission to carry out the commission's duties, functions and powers under ORS
5 475C.005 to 475C.525 and 475C.540 to 475C.586. The jurisdiction, supervision, duties, functions and
6 powers of the commission extend to any person that produces, processes, transports, delivers, sells,
7 purchases or tests a [*marijuana*] **cannabis** item in this state. The commission may sue and be sued.

8 (2) The duties, functions and powers of the commission specified in ORS 475C.005 to 475C.525
9 and 475C.540 to 475C.586 include the following:

10 (a) To regulate the production, processing, transportation, delivery, sale, purchase and testing
11 of [*marijuana*] **cannabis** items in accordance with the provisions of ORS 475C.005 to 475C.525 and
12 475C.540 to 475C.586.

13 (b) To issue, renew, suspend, revoke or refuse to issue or renew licenses for the production,
14 processing, sale or testing of [*marijuana*] **cannabis** items, or other licenses related to the consump-
15 tion of [*marijuana*] **cannabis** items, and to permit, in the commission's discretion, the transfer of a
16 license between persons.

17 (c) To adopt, amend or repeal rules as necessary to carry out the intent and provisions of ORS
18 475C.005 to 475C.525 and 475C.540 to 475C.586, including rules that the commission considers nec-
19 essary to protect the public health and safety.

20 (d) To exercise all powers incidental, convenient or necessary to enable the commission to ad-
21 minister or carry out the provisions of ORS 475C.005 to 475C.525 and 475C.540 to 475C.586 or any
22 other law of this state that charges the commission with a duty, function or power related to
23 [*marijuana*] **cannabis**. Powers described in this paragraph include, but are not limited to:

24 (A) Issuing subpoenas;

25 (B) Compelling the attendance of witnesses;

26 (C) Administering oaths;

27 (D) Certifying official acts;

28 (E) Taking depositions as provided by law;

29 (F) Compelling the production of books, payrolls, accounts, papers, records, documents and tes-
30 timony; and

31 (G) Establishing fees in addition to the application, licensing and renewal fees described in ORS
32 475C.065, 475C.085, 475C.093, 475C.097 and 475C.548, provided that any fee established by the com-
33 mission is reasonably calculated not to exceed the cost of the activity for which the fee is charged.

34 (e) To adopt rules regulating and prohibiting advertising [*marijuana*] **cannabis** items in a man-
35 ner:

36 (A) That is appealing to minors;

37 (B) That promotes excessive use;

38 (C) That promotes illegal activity; or

39 (D) That otherwise presents a significant risk to public health and safety.

40 (f) To regulate the use of [*marijuana*] **cannabis** items for other purposes as deemed necessary
41 or appropriate by the commission.

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

45 (h) To regulate the processing, transportation, delivery, sale, purchase and testing of artificially

1 derived cannabinoids in accordance with the provisions of ORS 475C.005 to 475C.525 and 475C.540
2 to 475C.586.

3 (i) To regulate the testing and labeling of inhalant delivery systems, as defined in ORS 431A.175,
4 that include industrial hemp-derived vapor items, as defined in ORS 475C.540, that are sold in this
5 state by any person.

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

8 **SECTION 50.** ORS 475C.021 is amended to read:

9 475C.021. Subject to any applicable provision of ORS chapter 183, the Oregon Liquor and
10 Cannabis Commission may purchase, possess, seize, transfer to a licensee or dispose of [*marijuana*]
11 **cannabis** items as is necessary for the commission to ensure compliance with and enforce the pro-
12 visions of ORS 475C.005 to 475C.525 and 475C.540 to 475C.586 and any rule adopted under ORS
13 475C.005 to 475C.525 and 475C.540 to 475C.586.

14 **SECTION 51.** ORS 475C.025 is amended to read:

15 475C.025. The Oregon Liquor and Cannabis Commission may, by rule or order, provide for the
16 manner and conditions under which:

17 (1) [*Marijuana*] **Cannabis** items left by a deceased, insolvent or bankrupt person or licensee, or
18 subject to a security interest, may be foreclosed, sold under execution or otherwise disposed.

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

21 (3) A secured party, as defined in ORS 79.0102, may continue to operate at a premises for which
22 a license has been issued under ORS 475C.005 to 475C.525 or 475C.548 for a reasonable period after
23 default on the indebtedness by the debtor.

24 **SECTION 52.** ORS 475C.029 is amended to read:

25 475C.029. The Oregon Liquor and Cannabis Commission may limit the quantity of [*marijuana*]
26 **cannabis** items transferred to a consumer or other individual if the commission determines that the
27 limitation is necessary to prevent the resale of [*marijuana*] **cannabis** items.

28 **SECTION 53.** ORS 475C.037 is amended to read:

29 475C.037. (1) The Oregon Liquor and Cannabis Commission may not license an applicant under
30 the provisions of ORS 475C.005 to 475C.525 or 475C.548 if the applicant is under 21 years of age.

31 (2) The commission may refuse to issue a license or may issue a restricted license to an appli-
32 cant under the provisions of ORS 475C.005 to 475C.525 or 475C.548 if the commission makes a find-
33 ing that the applicant:

34 (a) Is in the habit of using alcoholic beverages, habit-forming drugs, [*marijuana*] **cannabis** or
35 controlled substances to excess.

36 (b) Has made false statements to the commission.

37 (c) Is incompetent or physically unable to carry on the management of the establishment pro-
38 posed to be licensed.

39 (d) Has been convicted of violating a federal law, state law or local ordinance if the conviction
40 is substantially related to the fitness and ability of the applicant to lawfully carry out activities
41 under the license.

42 (e) Is not of good repute and moral character.

43 (f) Does not have a good record of compliance with ORS 475C.005 to 475C.525 or 475C.540 to
44 475C.586 or any rule adopted under ORS 475C.005 to 475C.525 or 475C.540 to 475C.586.

45 (g) Is not the legitimate owner of the premises proposed to be licensed, or has not disclosed that

1 other persons have ownership interests in the premises proposed to be licensed.

2 (h) Has not demonstrated financial responsibility sufficient to adequately meet the requirements
3 of the premises proposed to be licensed.

4 (i) Is unable to understand the laws of this state relating to [*marijuana*] **cannabis** items or the
5 rules adopted under ORS 475C.005 to 475C.525 and 475C.540 to 475C.586.

6 (3) Notwithstanding subsection (2)(d) of this section, in determining whether to issue a license
7 or a restricted license to an applicant, the commission may not consider the prior conviction of the
8 applicant or any owner, director, officer, manager, employee, agent or other representative of the
9 applicant for:

10 (a) The manufacture of [*marijuana*] **cannabis**, if:

11 (A) The date of the conviction is two or more years before the date of the application; and

12 (B) The person has not been convicted more than once for the manufacture or delivery of
13 [*marijuana*] **cannabis**;

14 (b) The delivery of [*marijuana*] **cannabis** to a person 21 years of age or older, if:

15 (A) The date of the conviction is two or more years before the date of the application; and

16 (B) The person has not been convicted more than once for the manufacture or delivery of
17 [*marijuana*] **cannabis**; or

18 (c) The possession of [*marijuana*] **cannabis**.

19 **SECTION 54.** ORS 475C.049, as amended by section 21, chapter 16, Oregon Laws 2024, is
20 amended to read:

21 475C.049. (1) Subject to section 19, chapter 16, Oregon Laws 2024, the Oregon Liquor and
22 Cannabis Commission shall approve or deny an application to be licensed under ORS 475C.005 to
23 475C.525. Except as provided in subsection (2) of this section, upon receiving an application under
24 ORS 475C.033, the commission may not delay processing, approving or denying the application or,
25 if the application is approved, issuing the license.

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

28 (a) The applicant, or a person named on the application, holds a license issued under ORS
29 475C.005 to 475C.525 and the commission has issued a notice proposing revocation of the license for
30 one or more violations of ORS 475C.005 to 475C.525 that are administrative in nature, as determined
31 by the commission, or a notice proposing suspension of the license pursuant to ORS 305.385;

32 (b) The applicant is applying for a license at a premises where the applicant seeks to assume
33 ownership of an existing business for which a license has been issued under ORS 475C.005 to
34 475C.525 and the commission has issued a notice proposing revocation of the license for the existing
35 business or a notice proposing suspension of the license for the existing business pursuant to ORS
36 305.385; or

37 (c) The commission has received information from law enforcement that the applicant or a per-
38 son named on the application is engaging, or has engaged, in the unregulated commerce of
39 [*marijuana*] **cannabis** items or unlawful manufacture or delivery of controlled substances.

40 (3) The licenses described in ORS 475C.005 to 475C.525 must be issued by the commission, sub-
41 ject to the provisions of ORS 475C.005 to 475C.525 and rules adopted under ORS 475C.005 to
42 475C.525.

43 (4) The commission may not license a premises that does not have defined boundaries. A prem-
44 ises does not need to be enclosed by a wall, fence or other structure, but the commission may re-
45 quire a premises to be enclosed as a condition of issuing or renewing a license. The commission may

1 not license a mobile premises.

2 **SECTION 55.** ORS 475C.057 is amended to read:

3 475C.057. Licensees and licensee representatives may produce, deliver and possess [*marijuana*]
4 **cannabis** items subject to the provisions of ORS 475C.005 to 475C.525 and rules adopted under ORS
5 475C.005 to 475C.525. The production, delivery or possession of [*marijuana*] **cannabis** items by a
6 licensee or a licensee representative in compliance with ORS 475C.005 to 475C.525 and rules adopted
7 under ORS 475C.005 to 475C.525 does not constitute a criminal or civil offense under the laws of this
8 state.

9 **SECTION 56.** ORS 475C.065 is amended to read:

10 475C.065. (1) The production of [*marijuana*] **cannabis** is subject to regulation by the Oregon
11 Liquor and Cannabis Commission.

12 (2) A [*marijuana*] **cannabis** producer must have a production license issued by the commission
13 for the premises at which the [*marijuana*] **cannabis** is produced. To hold a production license issued
14 under this section, a [*marijuana*] **cannabis** producer:

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

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

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

19 (3)(a) If the applicant is not the owner of the premises at which the [*marijuana*] **cannabis** is to
20 be produced, the applicant shall submit to the commission signed informed consent from the owner
21 of the premises to produce [*marijuana*] **cannabis** at the premises.

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

23 (4) The commission shall adopt rules that:

24 (a) Require a [*marijuana*] **cannabis** producer to annually renew a license issued under this sec-
25 tion;

26 (b) Establish application, licensure and renewal of licensure fees for [*marijuana*] **cannabis** pro-
27 ducers;

28 (c) Require [*marijuana*] **cannabis** produced by [*marijuana*] **cannabis** producers to be tested in
29 accordance with ORS 475C.544;

30 (d) Assist the viability of [*marijuana*] **cannabis** producers that are independently owned and
31 operated and that are limited in size and revenue with respect to other [*marijuana*] **cannabis** pro-
32 ducers, by minimizing barriers to entry into the regulated system and by expanding, to the extent
33 practicable, transportation options that will support their access to the retail market;

34 (e) Allow a [*marijuana*] **cannabis** producer registered under ORS 475C.137 to produce
35 [*marijuana*] **cannabis** for medical purposes in the same manner that rules adopted under ORS
36 475C.005 to 475C.525 allow a [*marijuana*] **cannabis** producer to produce [*marijuana*] **cannabis** for
37 nonmedical purposes, excepting those circumstances where differentiating between the production
38 of [*marijuana*] **cannabis** for medical purposes and the production of [*marijuana*] **cannabis** for non-
39 medical purposes is necessary to protect the public health and safety;

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

43 (g) Require a [*marijuana*] **cannabis** producer to meet any public health and safety standards and
44 industry best practices established by the commission by rule related to the production of
45 [*marijuana*] **cannabis** or the propagation of immature [*marijuana*] **cannabis** plants and [*marijuana*]

1 **cannabis** seeds; and

2 (h) Support [*marijuana*] **cannabis** plant diversity by allowing a qualified [*marijuana*] **cannabis**
 3 producer to receive [*marijuana*] **cannabis** seeds from any source in this state, but not more than a
 4 total of 200 [*marijuana*] **cannabis** seeds per month from all sources combined.

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

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

8 (b) Shall be in the form of a schedule that imposes a greater fee for premises with more square
 9 footage or on which more [*marijuana*] **cannabis** plants are grown; and

10 (c) Shall be deposited in the [*Marijuana*] **Cannabis** Control and Regulation Fund established
 11 under ORS 475C.297.

12 **SECTION 57.** ORS 475C.069 is amended to read:

13 475C.069. (1) The requirement under ORS 475C.053 to obtain a land use compatibility statement
 14 as a condition of receiving a license under ORS 475C.065 does not apply to an applicant if:

15 (a) The applicant is applying for a license at an address where a [*marijuana*] **cannabis** grow site
 16 registered under ORS 475C.792 is located;

17 (b) The address is outside of city limits;

18 (c) At least one person responsible for a [*marijuana*] **cannabis** grow site located at the address
 19 first registered with the Oregon Health Authority under ORS 475C.792 before January 1, 2015, and
 20 is registered with the authority under ORS 475C.792 on the date on which the applicant submitted
 21 the application for a license under ORS 475C.065;

22 (d) Each person responsible for a [*marijuana*] **cannabis** grow site located at the address first
 23 registered with the authority under ORS 475C.792 before February 1, 2016, and is registered with
 24 the authority under ORS 475C.792 on the date on which the applicant submitted the application for
 25 a license under ORS 475C.065; and

26 (e) The applicant is applying for a mature [*marijuana*] **cannabis** plant grow canopy of:

27 (A) 5,000 square feet or less, if the [*marijuana*] **cannabis** is produced outdoors; or

28 (B) 1,250 square feet or less, if the [*marijuana*] **cannabis** is produced indoors.

29 (2) For purposes of this section, an applicant for a license under ORS 475C.065 is not required
 30 to demonstrate that:

31 (a) At least one person responsible for a [*marijuana*] **cannabis** grow site located at the address
 32 for which the applicant is applying for a license has been continuously registered with the authority
 33 under ORS 475C.792 between January 1, 2015, and the date on which the applicant applies for a li-
 34 cense under ORS 475C.065; or

35 (b) Each person responsible for a [*marijuana*] **cannabis** grow site located at the address for
 36 which the applicant is applying for a license has been continuously registered with the authority
 37 under ORS 475C.792 between February 1, 2016, and the date on which the applicant applies for a
 38 license under ORS 475C.065.

39 **SECTION 58.** ORS 475C.073 is amended to read:

40 475C.073. (1) A premises for which a [*marijuana*] **cannabis** producer holds a production license
 41 issued under ORS 475C.065 and that is located in an area subject to the jurisdiction of a city or
 42 county that has adopted a prohibition under ORS 475C.950 on [*marijuana*] **cannabis** production, or
 43 has adopted or amended a county or local ordinance that causes [*marijuana*] **cannabis** production
 44 to be a nonconforming land use, since the date on which the production license was first issued may
 45 continue to be used to produce [*marijuana*] **cannabis**.

1 (2) A premises described in subsection (1) of this section is not required to be continually owned
 2 or operated by the [*marijuana*] **cannabis** producer that was first issued a license under ORS
 3 475C.065.

4 (3) A land use compatibility statement, in addition to that required for initial licensure, from the
 5 city or county is not required for a premises described in subsection (1) of this section if:

6 (a) The [*marijuana*] **cannabis** producer is applying for licensure renewal; or

7 (b) A change in ownership of the premises occurs but does not alter the [*marijuana*] **cannabis**
 8 plant grow canopy size or whether the [*marijuana*] **cannabis** plant grow canopy is indoors or out-
 9 doors.

10 (4)(a) Alterations may be made to premises described in subsection (1) of this section if the al-
 11 terations:

12 (A) Are necessary in order for the premises to comply with a lawful requirement for alteration
 13 in production; or

14 (B) In the production or in the buildings, structures or physical improvements associated with
 15 the premises have no greater adverse impact to the surrounding area.

16 (b) The city or county that has jurisdiction over the premises shall perform an evaluation of
 17 proposed alterations and may deny only alterations that do not meet the criteria set out in this
 18 subsection.

19 (5) If a premises described in subsection (1) of this section is not used for [*marijuana*] **cannabis**
 20 production for a period of at least 12 calendar months, [*marijuana*] **cannabis** production may not
 21 be resumed on the premises unless the [*marijuana*] **cannabis** production conforms to any zoning
 22 requirements or regulations applicable at the time of the proposed resumption.

23 **SECTION 59.** ORS 475C.077 is amended to read:

24 475C.077. (1) Subject to subsection (3) of this section, the Oregon Liquor and Cannabis Com-
 25 mission shall adopt rules restricting the size of [*marijuana*] **cannabis** plant grow canopies at prem-
 26 ises for which a license has been issued under ORS 475C.065. In adopting rules under this
 27 subsection, the commission shall:

28 (a) Limit the size of [*marijuana*] **cannabis** plant grow canopies, for premises where [*marijuana*]
 29 **cannabis** is grown outdoors and for premises where [*marijuana*] **cannabis** is grown indoors, in a
 30 manner calculated to result in premises that produce the same amount of harvested [*marijuana*]
 31 **cannabis** leaves and harvested [*marijuana*] **cannabis** flowers regardless of whether the [*marijuana*]
 32 **cannabis** is grown outdoors or indoors.

33 (b) Adopt a tiered system under which the permitted size of a [*marijuana*] **cannabis** producer's
 34 [*marijuana*] **cannabis** plant grow canopy increases at the time of licensure renewal under ORS
 35 475C.065, except that the permitted size of a [*marijuana*] **cannabis** producer's [*marijuana*] **cannabis**
 36 plant grow canopy may not increase following any year during which the commission disciplined the
 37 [*marijuana*] **cannabis** producer for violating a provision of ORS 475C.005 to 475C.525 or a rule
 38 adopted under ORS 475C.005 to 475C.525.

39 (c) Take into consideration the market demand for [*marijuana*] **cannabis** items in this state, the
 40 number of [*marijuana*] **cannabis** producers applying for a license under ORS 475C.065, the number
 41 of [*marijuana*] **cannabis** producers that hold a license issued under ORS 475C.065 and whether the
 42 availability of [*marijuana*] **cannabis** items in this state is commensurate with the market demand.

43 (2) For purposes of this section, the commission may adopt different rules for mature
 44 [*marijuana*] **cannabis** plant grow canopies and immature [*marijuana*] **cannabis** plant grow canopies.

45 (3) This section applies only to that portion of a premises for which a license has been issued

1 under ORS 475C.065 that is used to produce [*marijuana*] **cannabis** plants.

2 **SECTION 60.** ORS 475C.081 is amended to read:

3 475C.081. (1) As used in this section, “commonly owned” means, as further defined by the
4 Oregon Liquor and Cannabis Commission by rule, that a person included on an application for a li-
5 cense under ORS 475C.065 has an interest in or authority over the management of another entity
6 for which a license has been issued under ORS 475C.065.

7 (2) A [*marijuana*] **cannabis** producer that holds a license issued under ORS 475C.065 may deliver
8 to or receive from a [*marijuana*] **cannabis** processor that holds a license issued under ORS 475C.085:

9 (a) Cannabinoid products, cannabinoid extracts and cannabinoid concentrates processed by the
10 [*marijuana*] **cannabis** processor from [*marijuana*] **cannabis** produced by the [*marijuana*] **cannabis**
11 producer and that do not contain [*marijuana*] **cannabis** produced by any other [*marijuana*] **cannabis**
12 producer; and

13 (b) [*Marijuana*] **Cannabis** produced by the [*marijuana*] **cannabis** producer that the [*marijuana*]
14 **cannabis** processor received from the [*marijuana*] **cannabis** producer but that the [*marijuana*]
15 **cannabis** processor did not process.

16 (3) Two or more [*marijuana*] **cannabis** producers that hold licenses issued under ORS 475C.065
17 and are commonly owned by the same person may deliver to and receive from one another
18 [*marijuana*] **cannabis** and usable [*marijuana*] **cannabis**.

19 **SECTION 61.** ORS 475C.085 is amended to read:

20 475C.085. (1) The processing of [*marijuana*] **cannabis** items is subject to regulation by the
21 Oregon Liquor and Cannabis Commission.

22 (2) A [*marijuana*] **cannabis** processor must have a processor license issued by the commission
23 for the premises at which [*marijuana*] **cannabis** items are processed. To hold a processor license
24 under this section, a [*marijuana*] **cannabis** processor:

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

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

27 (c) If the [*marijuana*] **cannabis** processor processes [*marijuana*] **cannabis** extracts or industrial
28 hemp extracts, as defined in ORS 571.269, may not be located in an area zoned exclusively for resi-
29 dential use; and

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

32 (3) The commission shall adopt rules that:

33 (a) Require a [*marijuana*] **cannabis** processor to annually renew a license issued under this
34 section;

35 (b) Establish application, licensure and renewal of licensure fees for [*marijuana*] **cannabis**
36 processors;

37 (c) Require [*marijuana*] **cannabis** processed by a [*marijuana*] **cannabis** processor to be tested
38 in accordance with ORS 475C.544;

39 (d) Require industrial hemp commodities and products processed by a [*marijuana*] **cannabis**
40 processor to meet any requirements for industrial hemp commodities or products established under
41 ORS 571.260 to 571.348 or rules adopted under ORS 571.260 to 571.348;

42 (e) Allow a [*marijuana*] **cannabis** processor registered under ORS 475C.141 to process
43 [*marijuana*] **cannabis** and usable [*marijuana*] **cannabis** into medical grade cannabinoid products,
44 cannabinoid concentrates and cannabinoid extracts in the same manner that rules adopted under
45 ORS 475C.005 to 475C.525 allow a [*marijuana*] **cannabis** processor to process [*marijuana*] **cannabis**

1 and usable [*marijuana*] **cannabis** into general use cannabinoid products, cannabinoid concentrates
 2 and cannabinoid extracts, excepting those circumstances where differentiating between the pro-
 3 cessing of medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts
 4 and the processing of general use cannabinoid products, cannabinoid concentrates and cannabinoid
 5 extracts is necessary to protect the public health and safety; and

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

8 (A) Cannabinoid edibles;

9 (B) Cannabinoid concentrates;

10 (C) Cannabinoid extracts; and

11 (D) Any other type of cannabinoid product or industrial hemp commodity or product identified
 12 by the commission by rule.

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

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

16 (b) Shall be deposited in the [*Marijuana*] **Cannabis** Control and Regulation Fund established
 17 under ORS 475C.297.

18 **SECTION 62.** ORS 475C.089 is amended to read:

19 475C.089. (1) Notwithstanding ORS 475C.085, a [*marijuana*] **cannabis** producer that holds a li-
 20 cense issued under ORS 475C.065 and has a mature [*marijuana*] **cannabis** plant grow canopy de-
 21 scribed in subsection (2) of this section may process [*marijuana*] **cannabis** into a cannabinoid
 22 concentrate if the process involves separating cannabinoids from [*marijuana*] **cannabis** by:

23 (a) A mechanical process; or

24 (b) An extraction process using water as the solvent.

25 (2) To be eligible to process [*marijuana*] **cannabis** into a cannabinoid concentrate under this
 26 section, a [*marijuana*] **cannabis** producer must have a mature [*marijuana*] **cannabis** plant grow
 27 canopy, as restricted by the Oregon Liquor and Cannabis Commission under ORS 475C.077, that does
 28 not exceed:

29 (a) For [*marijuana*] **cannabis** grown outdoors, 5,000 square feet; or

30 (b) For [*marijuana*] **cannabis** grown indoors, 1,250 square feet.

31 (3)(a) A [*marijuana*] **cannabis** producer that holds a license issued under ORS 475C.065 and that
 32 has a plant grow canopy determined by rule by the commission, may produce and transfer kief.

33 (b) For purposes of this subsection, “kief” means the resinous trichomes of [*marijuana*] **cannabis**
 34 that accumulate or fall off when [*marijuana*] **cannabis** flowers are sifted through a mesh screen or
 35 sieve.

36 (4) The processing of [*marijuana*] **cannabis** under this section must comport with any reasonable
 37 condition adopted under ORS 475C.449 that is imposed on the manner in which a [*marijuana*]
 38 **cannabis** processor licensed under ORS 475C.085 may process [*marijuana*] **cannabis**.

39 **SECTION 63.** ORS 475C.093 is amended to read:

40 475C.093. (1) The wholesale sale of [*marijuana*] **cannabis** items is subject to regulation by the
 41 Oregon Liquor and Cannabis Commission.

42 (2) A [*marijuana*] **cannabis** wholesaler must have a wholesale license issued by the commission
 43 for the premises at which [*marijuana*] **cannabis** items are received, stored or delivered. To hold a
 44 wholesale license under this section, a [*marijuana*] **cannabis** wholesaler:

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

- 1 (b) Must provide proof that the applicant is 21 years of age or older;
- 2 (c) May not be located in an area that is zoned exclusively for residential use; and
- 3 (d) Must meet the requirements of any rule adopted by the commission under subsection (3) of
- 4 this section.

5 (3) The commission shall adopt rules that:

6 (a) Require a [*marijuana*] **cannabis** wholesaler to annually renew a license issued under this

7 section;

8 (b) Establish application, licensure and renewal of licensure fees for [*marijuana*] **cannabis**

9 wholesalers;

10 (c) Require [*marijuana*] **cannabis** items received, stored or delivered by a [*marijuana*] **cannabis**

11 wholesaler to be tested in accordance with ORS 475C.544;

12 (d) Allow a [*marijuana*] **cannabis** wholesaler registered under ORS 475C.145 to sell medical

13 grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts at wholesale in the

14 same manner that rules adopted under ORS 475C.005 to 475C.525 allow a [*marijuana*] **cannabis**

15 wholesaler to sell general use cannabinoid products, cannabinoid concentrates and cannabinoid ex-

16 tracts at wholesale, excepting those circumstances where differentiating between the sale of medical

17 grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts and the sale of

18 general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts is necessary

19 to protect the public health and safety; and

20 (e) Require a [*marijuana*] **cannabis** wholesaler to meet any public health and safety standards

21 and industry best practices established by the commission by rule.

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

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

24 of administering ORS 475C.005 to 475C.525; and

25 (b) Shall be deposited in the [*Marijuana*] **Cannabis** Control and Regulation Fund established

26 under ORS 475C.297.

27 **SECTION 64.** ORS 475C.097 is amended to read:

28 475C.097. (1) The retail sale of [*marijuana*] **cannabis** items is subject to regulation by the

29 Oregon Liquor and Cannabis Commission.

30 (2) A [*marijuana*] **cannabis** retailer must have a retail license issued by the commission for the

31 premises at which [*marijuana*] **cannabis** items are sold. To hold a retail license under this section,

32 a [*marijuana*] **cannabis** retailer:

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

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

35 (c) May not be located in an area that is zoned exclusively for residential use;

36 (d) Except as provided in ORS 475C.101, may not be located within 1,000 feet of:

37 (A) A building where a public prekindergarten or kindergarten program is provided by a school

38 district or an education service district;

39 (B) A public elementary or secondary school for which attendance is compulsory under ORS

40 339.020; or

41 (C) A private or parochial elementary or secondary school, teaching children as described in

42 ORS 339.030 (1)(a); and

43 (e) Must meet the requirements of any rule adopted by the commission under subsection (3) of

44 this section.

45 (3) The commission shall adopt rules that:

1 (a) Require a [*marijuana*] **cannabis** retailer to annually renew a license issued under this sec-
2 tion;

3 (b) Establish application, licensure and renewal of licensure fees for [*marijuana*] **cannabis**
4 retailers;

5 (c) Require [*marijuana*] **cannabis** items sold by a [*marijuana*] **cannabis** retailer to be tested in
6 accordance with ORS 475C.544;

7 (d) Notwithstanding ORS 475C.205, allow a [*marijuana*] **cannabis** retailer to deliver
8 [*marijuana*] **cannabis** items to another [*marijuana*] **cannabis** retailer that has on the [*marijuana*]
9 **cannabis** retailer's license application a person that has an interest in or authority over the man-
10 agement of the other [*marijuana*] **cannabis** retailer;

11 (e) Subject to the limitations and privileges described in ORS 475C.149 (3), allow a [*marijuana*]
12 **cannabis** retailer registered under ORS 475C.149 to sell medical grade cannabinoid products,
13 cannabinoid concentrates and cannabinoid extracts at retail in the same manner that rules adopted
14 under ORS 475C.005 to 475C.525 allow a [*marijuana*] **cannabis** retailer to sell general use
15 cannabinoid products, cannabinoid concentrates and cannabinoid extracts at retail, excepting those
16 circumstances where differentiating between the sale of medical grade cannabinoid products,
17 cannabinoid concentrates and cannabinoid extracts and the sale of general use cannabinoid pro-
18 ducts, cannabinoid concentrates and cannabinoid extracts is necessary to protect the public health
19 and safety; and

20 (f) Require a [*marijuana*] **cannabis** retailer to meet any public health and safety standards and
21 industry best practices established by the commission by rule.

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

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

25 (b) Shall be deposited in the [*Marijuana*] **Cannabis** Control and Regulation Fund established
26 under ORS 475C.297.

27 **SECTION 65.** ORS 475C.101 is amended to read:

28 475C.101. Notwithstanding ORS 475C.097 (2)(d), a [*marijuana*] **cannabis** retailer may be located
29 within 1,000 feet of a building described in ORS 475C.097 (2)(d) if:

30 (1)(a) The [*marijuana*] **cannabis** retailer is not located within 500 feet of:

31 (A) A building where a public prekindergarten or kindergarten program is provided by a school
32 district or an education service district;

33 (B) A public elementary or secondary school for which attendance is compulsory under ORS
34 339.020; or

35 (C) A private or parochial elementary or secondary school, teaching children as described in
36 ORS 339.030 (1)(a); and

37 (b) The Oregon Liquor and Cannabis Commission determines that there is a physical or ge-
38 ographic barrier capable of preventing children from traversing to the premises of the [*marijuana*]
39 **cannabis** retailer; or

40 (2) The [*marijuana*] **cannabis** retailer was established before August 1, 2017, in accordance with
41 a city or county ordinance adopted under section 29b, chapter 83, Oregon Laws 2016.

42 **SECTION 66.** ORS 475C.105 is amended to read:

43 475C.105. (1) If a building described in ORS 475C.097 (2)(d) that has not previously been attended
44 by children is established within 1,000 feet of a premises for which a license has been issued under
45 ORS 475C.097, the [*marijuana*] **cannabis** retailer located at that premises may remain at that lo-

1 cation unless the Oregon Liquor and Cannabis Commission revokes the license of the [*marijuana*]
2 **cannabis** retailer under ORS 475C.265.

3 (2)(a) If the commission issues a license for a premises under ORS 475C.097 and, after issuance,
4 the commission becomes aware that a school established prior to issuance of the license is located
5 within 1,000 feet of the premises, the commission may allow the [*marijuana*] **cannabis** retailer to
6 relocate to a premises that is not within 1,000 feet of the school without applying for and being is-
7 sued a new license under ORS 475C.097.

8 (b) The commission may adopt rules to carry out this subsection.

9 **SECTION 67.** ORS 475C.109 is amended to read:

10 475C.109. The Oregon Liquor and Cannabis Commission may adopt rules establishing the cir-
11 cumstances under which the commission may require a [*marijuana*] **cannabis** retailer that holds a
12 license issued under ORS 475C.097 to use an age verification scanner or any other equipment used
13 to verify a person's age for the purpose of ensuring that the [*marijuana*] **cannabis** retailer does not
14 sell [*marijuana*] **cannabis** items to a person under 21 years of age. Information obtained under this
15 section may not be retained after verifying a person's age and may not be used for any purpose
16 other than verifying a person's age.

17 **SECTION 68.** ORS 475C.113 is amended to read:

18 475C.113. (1) The governing body of a city or county may adopt ordinances that allow the de-
19 livery of [*marijuana*] **cannabis** items to consumers located within the jurisdiction of the city or
20 county from an adjacent city or county.

21 (2) If the governing body of a city or county adopts an ordinance under this section, the gov-
22 erning body must provide the text of the ordinance to the Oregon Liquor and Cannabis Commission.

23 (3) A city or county that adopts an ordinance under this section may not impose a tax or fee
24 on the retail price or delivery cost of [*marijuana*] **cannabis** items delivered within the city or
25 county.

26 **SECTION 69.** ORS 475C.117, as amended by section 29, chapter 16, Oregon Laws 2024, is
27 amended to read:

28 475C.117. (1) A [*marijuana*] **cannabis** retailer that holds a license issued under ORS 475C.097
29 may make deliveries to a consumer pursuant to the consumer's bona fide order received by the
30 [*marijuana*] **cannabis** retailer. The delivery of [*marijuana*] **cannabis** items under this section may
31 be made to a consumer:

32 (a) Within the same city or unincorporated area of the county in which the [*marijuana*]
33 **cannabis** retailer is located; or

34 (b) In a city or the unincorporated area of a county that is adjacent to the city or
35 unincorporated area of the county in which the [*marijuana*] **cannabis** retailer is located, provided
36 the adjacent city or county has adopted an ordinance allowing for the delivery of [*marijuana*]
37 **cannabis** items by a [*marijuana*] **cannabis** retailer located in an adjacent city or unincorporated
38 area of a county.

39 (2) A [*marijuana*] **cannabis** retailer that makes deliveries under this section shall:

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

41 (b) Upon request, provide to the Oregon Liquor and Cannabis Commission information on each
42 vehicle used to make deliveries of [*marijuana*] **cannabis** items under this section, including the
43 make, model, year, color, vehicle identification number and registration plate number.

44 (c) Maintain an electronic or physical record of each bona fide order for the delivery of
45 [*marijuana*] **cannabis** items that the [*marijuana*] **cannabis** retailer fulfills.

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

3 (3) An individual who makes deliveries on behalf of a [*marijuana*] **cannabis** retailer under this
4 section:

5 (a) Shall:

6 (A) Hold a permit or temporary permit issued under ORS 475C.273 and carry the permit or
7 temporary permit while making deliveries under this section.

8 (B) Have a method of secure electronic communication in order to communicate with the
9 [*marijuana*] **cannabis** retailer for which the individual is making deliveries.

10 (C) Maintain an electronic or physical record of a bona fide order for a delivery of a
11 [*marijuana*] **cannabis** item.

12 (D) Present to the consumer a printed or electronic delivery manifest and obtain on the manifest
13 the consumer's written or electronic signature verifying completion of the delivery of [*marijuana*]
14 **cannabis** items.

15 (E) Except in the case of an emergency or unsafe road conditions or as necessary for fuel, rest
16 or vehicle repair, travel only between the premises of the [*marijuana*] **cannabis** retailer and the
17 locations at which the deliveries of [*marijuana*] **cannabis** items are made.

18 (b) May not:

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

21 (B) Carry more than \$10,000 worth of [*marijuana*] **cannabis** items in a delivery vehicle at any
22 one time.

23 (C) Consume, or be under the influence of, [*marijuana*] **cannabis** while making deliveries under
24 this section.

25 (4) A delivery vehicle must:

26 (a) While being used for making deliveries, be equipped with an active global positioning system
27 device that tracks the location of the delivery vehicle and enables the [*marijuana*] **cannabis** retailer
28 for which the deliveries are being made to identify the location of the delivery vehicle.

29 (b) Be equipped with a lockable container in a secured cargo area of the delivery vehicle that
30 is of a size appropriate to contain the [*marijuana*] **cannabis** items being delivered.

31 (c) Be free of any markings that may indicate that the delivery vehicle is used for the purpose
32 of delivering [*marijuana*] **cannabis** items.

33 (5) A delivery of [*marijuana*] **cannabis** items may not be made to a consumer who is located on
34 land owned or leased by the federal government.

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

36 **SECTION 70.** ORS 475C.121 is amended to read:

37 475C.121. (1) The Oregon Liquor and Cannabis Commission shall designate any [*marijuana*]
38 **cannabis** producer that holds a license issued under ORS 475C.065 and that is registered under ORS
39 475C.137 as an exclusively medical licensee if the [*marijuana*] **cannabis** producer attests, in a form
40 and manner prescribed by the commission, to:

41 (a) Producing [*marijuana*] **cannabis** only for medical purposes; and

42 (b) Transferring usable [*marijuana*] **cannabis** only to [*marijuana*] **cannabis** processors registered
43 under ORS 475C.141, [*marijuana*] **cannabis** wholesalers registered under ORS 475C.145, [*marijuana*]
44 **cannabis** retailers registered under ORS 475C.149, registry identification cardholders and designated
45 primary caregivers.

1 (2) If the commission makes a designation under this section, the commission shall keep a record
 2 of the designation.

3 **SECTION 71.** ORS 475C.125 is amended to read:

4 475C.125. (1) The Oregon Liquor and Cannabis Commission shall designate any [*marijuana*]
 5 **cannabis** processor that holds a license issued under ORS 475C.085 and that is registered under
 6 ORS 475C.141 as an exclusively medical licensee if the [*marijuana*] **cannabis** processor attests, in
 7 a form and manner prescribed by the commission, to:

8 (a) Processing [*marijuana*] **cannabis** only for medical purposes;

9 (b) Receiving usable [*marijuana*] **cannabis** only from a [*marijuana*] **cannabis** producer registered
 10 under ORS 475C.137; and

11 (c) Transferring cannabinoid products, cannabinoid concentrates and cannabinoid extracts only
 12 to [*marijuana*] **cannabis** wholesalers registered under ORS 475C.145, [*marijuana*] **cannabis** retailers
 13 registered under ORS 475C.149, registry identification cardholders and designated primary
 14 caregivers.

15 (2) If the commission makes a designation under this section, the commission shall keep a record
 16 of the designation.

17 **SECTION 72.** ORS 475C.129 is amended to read:

18 475C.129. (1) The Oregon Liquor and Cannabis Commission shall designate any [*marijuana*]
 19 **cannabis** wholesaler that holds a license issued under ORS 475C.093 and that is registered under
 20 ORS 475C.145 as an exclusively medical licensee if the [*marijuana*] **cannabis** wholesaler attests, in
 21 a form and manner prescribed by the commission, to:

22 (a) Selling [*marijuana*] **cannabis** items only for medical purposes;

23 (b) Receiving usable [*marijuana*] **cannabis** only from [*marijuana*] **cannabis** producers registered
 24 under ORS 475C.137 and [*marijuana*] **cannabis** processors registered under ORS 475C.141;

25 (c) Receiving cannabinoid products, cannabinoid concentrates and cannabinoid extracts only
 26 from a [*marijuana*] **cannabis** processor registered under ORS 475C.141; and

27 (d) Transferring usable [*marijuana*] **cannabis**, cannabinoid products, cannabinoid concentrates
 28 and cannabinoid extracts only to [*marijuana*] **cannabis** retailers registered under ORS 475C.149.

29 (2) If the commission makes a designation under this section, the commission shall keep a record
 30 of the designation.

31 **SECTION 73.** ORS 475C.133 is amended to read:

32 475C.133. (1) The Oregon Liquor and Cannabis Commission shall designate any [*marijuana*]
 33 **cannabis** retailer that holds a license issued under ORS 475C.097 and that is registered under ORS
 34 475C.149 as an exclusively medical licensee if the [*marijuana*] **cannabis** retailer attests, in a form
 35 and manner prescribed by the commission, to:

36 (a) Selling [*marijuana*] **cannabis** items only for medical purposes;

37 (b) Receiving usable [*marijuana*] **cannabis** only from [*marijuana*] **cannabis** producers registered
 38 under ORS 475C.137, [*marijuana*] **cannabis** processors registered under ORS 475C.141 and
 39 [*marijuana*] **cannabis** wholesalers registered under ORS 475C.145;

40 (c) Receiving cannabinoid products, cannabinoid concentrates and cannabinoid extracts only
 41 from a [*marijuana*] **cannabis** processor registered under ORS 475C.141 and [*marijuana*] **cannabis**
 42 wholesalers registered under ORS 475C.145; and

43 (d) Transferring usable [*marijuana*] **cannabis**, cannabinoid products, cannabinoid concentrates
 44 and cannabinoid extracts only to registry identification cardholders and designated primary
 45 caregivers.

1 (2) If the commission makes a designation under this section, the commission shall keep a record
 2 of the designation.

3 **SECTION 74.** ORS 475C.137 is amended to read:

4 475C.137. (1) To produce [*marijuana*] **cannabis** for medical purposes, a [*marijuana*] **cannabis**
 5 producer that holds a license issued under ORS 475C.065 must register with the Oregon Liquor and
 6 Cannabis Commission under this section.

7 (2) The commission shall register a [*marijuana*] **cannabis** producer for the purpose of producing
 8 [*marijuana*] **cannabis** for medical purposes if the [*marijuana*] **cannabis** producer:

- 9 (a) Holds a license issued under ORS 475C.065;
- 10 (b) Meets any qualifications adopted by the commission by rule;
- 11 (c) Applies to the commission in a form and manner prescribed by the commission; and
- 12 (d) Pays any fee adopted by the commission by rule.

13 (3) Subject to subsection (4) of this section, a [*marijuana*] **cannabis** producer registered under
 14 this section may produce [*marijuana*] **cannabis** plants on a medically designated grow canopy in
 15 addition to producing [*marijuana*] **cannabis** plants on the grow canopy allowed under rules adopted
 16 under ORS 475C.077. The commission shall specify the size of medically designated grow canopies
 17 by rule, provided that the size of any medically designated grow canopy does not exceed 10 percent
 18 of the total size of both the medically designated grow canopy and the grow canopy allowed under
 19 rules adopted under ORS 475C.077 at the time that the [*marijuana*] **cannabis** producer applies for
 20 registration under this section.

21 (4) A [*marijuana*] **cannabis** producer registered under this section must provide, for no consid-
 22 eration, at least 75 percent of the annual yield of usable [*marijuana*] **cannabis** harvested from the
 23 [*marijuana*] **cannabis** producer’s medically designated grow canopy to registry identification
 24 cardholders and designated primary caregivers.

25 (5) A [*marijuana*] **cannabis** producer registered under this section may not, during a single
 26 transaction, provide a registry identification cardholder or the designated primary caregiver of a
 27 registry identification cardholder an amount of usable [*marijuana*] **cannabis** that exceeds the
 28 amount of usable [*marijuana*] **cannabis** that a registry identification cardholder and a designated
 29 primary caregiver may jointly possess under ORS 475C.809.

30 (6) A [*marijuana*] **cannabis** producer registered under this section may provide immature
 31 [*marijuana*] **cannabis** plants to a person responsible for a [*marijuana*] **cannabis** grow site registered
 32 under ORS 475C.792, a registry identification cardholder or a designated primary caregiver of a
 33 registry identification cardholder.

34 (7)(a) The commission shall adopt rules necessary to administer this section.

35 (b) The rules must establish sanctions for failure to meet the requirements of this section or a
 36 rule adopted under this section, including revocation of permission for the [*marijuana*] **cannabis**
 37 producer’s medically designated grow canopy.

38 (c) The rules must provide that any fee adopted by the commission under subsection (2)(d) of this
 39 section be in an amount reasonably calculated to not exceed, together with other fees collected
 40 under ORS 475C.005 to 475C.525, the cost of administering ORS 475C.005 to 475C.525.

41 **SECTION 75.** ORS 475C.141 is amended to read:

42 475C.141. (1) To process [*marijuana*] **cannabis** for medical purposes, a [*marijuana*] **cannabis**
 43 processor that holds a license issued under ORS 475C.085 must register with the Oregon Liquor and
 44 Cannabis Commission under this section.

45 (2) The commission shall register a [*marijuana*] **cannabis** processor for the purpose of process-

1 ing *[marijuana]* **cannabis** for medical purposes if the *[marijuana]* **cannabis** processor:

- 2 (a) Holds a license issued under ORS 475C.085;
- 3 (b) Meets any qualifications adopted by the commission by rule;
- 4 (c) Applies to the commission in a form and manner prescribed by the commission; and
- 5 (d) Pays any fee adopted by the commission by rule.

6 (3) A *[marijuana]* **cannabis** processor registered under this section may:

7 (a) Process *[marijuana]* **cannabis** and usable *[marijuana]* **cannabis** into medical grade
8 cannabinoid products, cannabinoid concentrates and cannabinoid extracts; and

9 (b) Notwithstanding ORS 475C.205, receive *[marijuana]* **cannabis** and usable *[marijuana]*
10 **cannabis** from, and for a fee process that *[marijuana]* **cannabis** and usable *[marijuana]* **cannabis**
11 into cannabinoid products, cannabinoid concentrates and cannabinoid extracts for, a registry iden-
12 tification cardholder or the designated primary caregiver of a registry identification cardholder,
13 provided that the cannabinoid products, cannabinoid concentrates and cannabinoid extracts meet the
14 requirements of ORS 475C.540 to 475C.586 and the concentration standards adopted under ORS
15 475C.620.

16 (4)(a) The commission shall adopt rules necessary to administer this section.

17 (b) The rules must provide that any fee adopted by the commission under subsection (2)(d) of this
18 section be in an amount reasonably calculated to not exceed, together with other fees collected
19 under ORS 475C.005 to 475C.525, the cost of administering ORS 475C.005 to 475C.525.

20 **SECTION 76.** ORS 475C.145 is amended to read:

21 475C.145. (1) To sell *[marijuana]* **cannabis** items at wholesale for medical purposes, a
22 *[marijuana]* **cannabis** wholesaler that holds a license issued under ORS 475C.093 must register with
23 the Oregon Liquor and Cannabis Commission under this section.

24 (2) The commission shall register a *[marijuana]* **cannabis** wholesaler for the purpose of selling
25 *[marijuana]* **cannabis** items at wholesale for medical purposes if the *[marijuana]* **cannabis** whole-
26 saler:

- 27 (a) Holds a license under ORS 475C.093;
- 28 (b) Meets any qualifications adopted by the commission by rule;
- 29 (c) Applies to the commission in a form and manner prescribed by the commission; and
- 30 (d) Pays any fee adopted by the commission by rule.

31 (3) A *[marijuana]* **cannabis** wholesaler registered under this section may sell medical grade
32 cannabinoid products, cannabinoid concentrates and cannabinoid extracts at wholesale.

33 (4) The commission shall adopt rules necessary to administer this section. The rules must pro-
34 vide that any fee adopted by the commission under subsection (2)(d) of this section be in an amount
35 reasonably calculated to not exceed, together with other fees collected under ORS 475C.005 to
36 475C.525, the cost of administering ORS 475C.005 to 475C.525.

37 **SECTION 77.** ORS 475C.149 is amended to read:

38 475C.149. (1) To sell *[marijuana]* **cannabis** items at retail for medical purposes, a *[marijuana]*
39 **cannabis** retailer that holds a license issued under ORS 475C.097 must register with the Oregon
40 Liquor and Cannabis Commission under this section.

41 (2) The commission shall register a *[marijuana]* **cannabis** retailer for the purpose of selling
42 *[marijuana]* **cannabis** items at retail for medical purposes if the *[marijuana]* **cannabis** retailer:

- 43 (a) Holds a license issued under ORS 475C.097;
- 44 (b) Meets any qualifications adopted by the commission by rule;
- 45 (c) Applies to the commission in a form and manner prescribed by the commission; and

1 (d) Pays any fee adopted by the commission by rule.

2 (3) A [*marijuana*] **cannabis** retailer registered under this section:

3 (a) May sell medical grade cannabinoid products, cannabinoid concentrates and cannabinoid
4 extracts to registry identification cardholders and designated primary caregivers;

5 (b) May not sell medical grade cannabinoid products, cannabinoid concentrates and cannabinoid
6 extracts to individuals other than registry identification cardholders and designated primary
7 caregivers;

8 (c) May sell usable [*marijuana*] **cannabis** and medical grade cannabinoid products, cannabinoid
9 concentrates and cannabinoid extracts to registry identification cardholders and designated primary
10 caregivers at a discounted price; and

11 (d) May provide, for no consideration, usable [*marijuana*] **cannabis** and medical grade
12 cannabinoid products, cannabinoid concentrates and cannabinoid extracts to a registry identification
13 cardholder and the designated primary caregiver of the registry identification cardholder.

14 (4)(a) The commission shall adopt rules necessary to administer this section.

15 (b) The rules must provide that any fee adopted by the commission under subsection (2)(d) of this
16 section be in an amount reasonably calculated to not exceed, together with other fees collected
17 under ORS 475C.005 to 475C.525, the cost of administering ORS 475C.005 to 475C.525.

18 **SECTION 78.** ORS 475C.153 is amended to read:

19 475C.153. Notwithstanding the provisions of ORS 475C.770 to 475C.919, rules adopted by the
20 Oregon Health Authority under ORS 475C.770 to 475C.919 must allow for the provision, transfer and
21 sale of usable [*marijuana*] **cannabis** as described in ORS 475C.137.

22 **SECTION 79.** ORS 475C.161 is amended to read:

23 475C.161. As is necessary to protect the public health and safety, the Oregon Liquor and
24 Cannabis Commission may require a premises licensed under ORS 475C.005 to 475C.525 to be seg-
25 regated into separate areas:

26 (1) For conducting the activities permitted under each license, if the licensee holds more than
27 one license issued under ORS 475C.005 to 475C.525 for the same premises;

28 (2) For conducting activities related to processing [*marijuana*] **cannabis** into different types of
29 cannabinoid products, cannabinoid concentrates or cannabinoid extracts, if the licensee is a
30 [*marijuana*] **cannabis** processor that holds a license issued under ORS 475C.085 and that processes
31 [*marijuana*] **cannabis** into any combination of different types of products, concentrates and extracts;
32 or

33 (3) For producing [*marijuana*] **cannabis** and processing [*marijuana*] **cannabis** as described in
34 ORS 475C.089 if the licensee is a [*marijuana*] **cannabis** producer that holds a license issued under
35 ORS 475C.065 and that processes [*marijuana*] **cannabis** as described in ORS 475C.089.

36 **SECTION 80.** ORS 475C.169 is amended to read:

37 475C.169. (1) The Oregon Liquor and Cannabis Commission shall adopt by rule procedures by
38 which:

39 (a) A person responsible for a [*marijuana*] **cannabis** grow site registered under ORS 475C.792,
40 or, if multiple persons responsible for a [*marijuana*] **cannabis** grow site registered under ORS
41 475C.792 are located at the same address, each person responsible for a [*marijuana*] **cannabis** grow
42 site located at the address, may apply for a license under ORS 475C.065 to transition from being
43 registered by the Oregon Health Authority to being licensed by the commission;

44 (b) A [*marijuana*] **cannabis** processing site registered under ORS 475C.815 may apply for a li-
45 cense under ORS 475C.085 to transition from being registered by the authority to being licensed by

1 the commission; and

2 (c) A medical [*marijuana*] **cannabis** dispensary registered under ORS 475C.833 may apply for a
3 license under ORS 475C.097 to transition from being registered by the authority to being licensed
4 by the commission.

5 (2)(a) In adopting rules under this section, the commission shall adopt, at a minimum, procedures
6 by which the inventory possessed by a person responsible for a [*marijuana*] **cannabis** grow site, a
7 [*marijuana*] **cannabis** processing site or a medical [*marijuana*] **cannabis** dispensary on the date on
8 which the person responsible for a [*marijuana*] **cannabis** grow site, the [*marijuana*] **cannabis** pro-
9 cessing site or the medical [*marijuana*] **cannabis** dispensary is first subject to tracking by the
10 commission under ORS 475C.177:

11 (A) May be delivered to a premises for which a license has been issued under ORS 475C.085,
12 475C.093 or 475C.097; or

13 (B) May be sold to consumers by [*marijuana*] **cannabis** retailers that hold a license under ORS
14 475C.097.

15 (b) Procedures adopted under this subsection must require a person responsible for a
16 [*marijuana*] **cannabis** grow site registered under ORS 475C.792, or, if multiple persons responsible
17 for a [*marijuana*] **cannabis** grow site registered under ORS 475C.792 are located at the same ad-
18 dress, each person responsible for a [*marijuana*] **cannabis** grow site located at the address, to return
19 to an individual to whom a registry identification card has been issued under ORS 475C.783, and for
20 whom the person or persons are producing [*marijuana*] **cannabis**, all the [*marijuana*] **cannabis** and
21 usable [*marijuana*] **cannabis** owned by the individual, except as otherwise allowed under a personal
22 agreement entered into under ORS 475C.798, at the time that the person or the persons receive a
23 license under ORS 475C.065.

24 **SECTION 81.** ORS 475C.177 is amended to read:

25 475C.177. (1) The Oregon Liquor and Cannabis Commission shall develop and maintain a system
26 for tracking the transfer of [*marijuana*] **cannabis** items between premises for which licenses have
27 been issued under ORS 475C.005 to 475C.525 or 475C.548.

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

30 (a) Preventing the diversion of [*marijuana*] **cannabis** items to criminal enterprises, gangs,
31 cartels and other states;

32 (b) Preventing persons from substituting or tampering with [*marijuana*] **cannabis** items;

33 (c) Ensuring an accurate accounting of the production, processing and sale of [*marijuana*]
34 **cannabis** items;

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

36 (e) Ensuring compliance with ORS 475C.005 to 475C.525 and 475C.540 to 475C.586, rules adopted
37 under ORS 475C.005 to 475C.525 and 475C.540 to 475C.586 and any other law of this state that
38 charges the commission with a duty, function or power related to [*marijuana*] **cannabis**.

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

41 (a) The propagation of immature [*marijuana*] **cannabis** plants and the production of
42 [*marijuana*] **cannabis** by a [*marijuana*] **cannabis** producer;

43 (b) The processing of [*marijuana*] **cannabis** by a [*marijuana*] **cannabis** processor;

44 (c) The receiving, storing and delivering of [*marijuana*] **cannabis** items by a [*marijuana*]
45 **cannabis** wholesaler;

1 (d) The sale of [*marijuana*] **cannabis** items by a [*marijuana*] **cannabis** retailer to a consumer;

2 (e) The sale and purchase of [*marijuana*] **cannabis** items between licensees, as permitted by ORS
3 475C.005 to 475C.525;

4 (f) The transfer of [*marijuana*] **cannabis** items between premises for which licenses have been
5 issued under ORS 475C.005 to 475C.525 or 475C.548; and

6 (g) Any other information that the commission determines is reasonably necessary to accomplish
7 the duties, functions and powers of the commission under ORS 475C.005 to 475C.525 and 475C.540
8 to 475C.586.

9 **SECTION 82.** ORS 475C.181 is amended to read:

10 475C.181. Except as otherwise provided by law, the Oregon Liquor and Cannabis Commission
11 has any power, and may perform any function, necessary for the commission to prevent the diversion
12 of [*marijuana*] **cannabis** from licensees to a source that is not operating legally under the laws of
13 this state.

14 **SECTION 83.** ORS 475C.185 is amended to read:

15 475C.185. (1) The Legislative Assembly finds and declares that the unregulated commerce of
16 [*marijuana*] **cannabis** items constitutes a serious danger to public health and safety.

17 (2)(a) A person may not produce, process, transport, deliver or sell a [*marijuana*] **cannabis** item
18 unless the person holds a valid license issued under ORS 475C.005 to 475C.525 or a registration is-
19 sued under ORS 475C.770 to 475C.919 or is exempted under ORS 475C.305.

20 (b) A licensee is engaged in the unregulated commerce of [*marijuana*] **cannabis** items if the
21 licensee allows a person who does not hold a license issued under ORS 475C.005 to 475C.525 or
22 475C.548 to engage in an activity that requires a license issued under ORS 475C.005 to 475C.525 or
23 475C.548.

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

27 (a) Restrict, suspend or refuse to renew a license issued under ORS 475C.005 to 475C.525 or
28 475C.548 if circumstances create probable cause for the commission to conclude that a licensee has:

29 (A) Purchased or received a [*marijuana*] **cannabis** item from an unlicensed source; or

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

32 (b) Restrict, suspend or refuse to renew a license issued under ORS 475C.005 to 475C.525 or
33 475C.548 if circumstances create probable cause for the commission to believe that a person who
34 does not hold a license issued under ORS 475C.005 to 475C.525 or 475C.548 for the licensed premises
35 engaged, or is engaging, in an activity that requires a license under ORS 475C.005 to 475C.525 or
36 475C.548; or

37 (c) Seize [*marijuana*] **cannabis** items from a licensee if circumstances create probable cause for
38 the commission to conclude that the licensee has:

39 (A) Engaged, or is engaging, in the unlawful diversion of [*marijuana*] **cannabis** items; or

40 (B) Allowed, or is allowing, a person who does not hold a license issued under ORS 475C.005 to
41 475C.525 or 475C.548 to engage in an activity that requires a license issued under ORS 475C.005 to
42 475C.525 or 475C.548 at the premises for which a license is issued.

43 **SECTION 84.** ORS 475C.201 is amended to read:

44 475C.201. Except for the power to adopt rules, the Oregon Liquor and Cannabis Commission may
45 delegate to the administrator appointed under ORS 471.720 any of the commission's functions, duties

1 and powers as prescribed by ORS 475C.005 to 475C.525, 475C.540 to 475C.586, 475C.600 to 475C.648,
2 475C.770 to 475C.919 and 475C.950 or any other law of the state related to the regulation of
3 [*marijuana*] **cannabis** items.

4 **SECTION 85.** ORS 475C.205 is amended to read:

5 475C.205. (1) Except as provided in ORS 475C.137 and 475C.850 and rules adopted pursuant to
6 ORS 475C.065, a [*marijuana*] **cannabis** producer that holds a license issued under ORS 475C.065,
7 [*marijuana*] **cannabis** processor that holds a license issued under ORS 475C.085 or [*marijuana*]
8 **cannabis** wholesaler that holds a license issued under ORS 475C.093 may deliver [*marijuana*]
9 **cannabis** items only to or on a premises for which a license has been issued under ORS 475C.065,
10 475C.085, 475C.093 or 475C.097, or to a registry identification cardholder or designated primary
11 caregiver as allowed under ORS 475C.005 to 475C.525.

12 (2) A licensee to which [*marijuana*] **cannabis** items may be delivered under subsection (1) of this
13 section may receive [*marijuana*] **cannabis** items only from:

14 (a) A [*marijuana*] **cannabis** producer that holds a license issued under ORS 475C.065,
15 [*marijuana*] **cannabis** processor that holds a license issued under ORS 475C.085, [*marijuana*]
16 **cannabis** wholesaler that holds a license issued under ORS 475C.093, [*marijuana*] **cannabis** retailer
17 that holds a license issued under ORS 475C.097 or a laboratory licensed under ORS 475C.548;

18 (b) A researcher of cannabis that holds a certificate issued under ORS 475C.289 and that
19 transfers limited amounts of [*marijuana*] **cannabis**, usable [*marijuana*] **cannabis**, cannabinoid pro-
20 ducts, cannabinoid concentrates and cannabinoid extracts in accordance with procedures adopted
21 under ORS 475C.289 (3)(d) and (e);

22 (c) A [*marijuana*] **cannabis** grow site registered under ORS 475C.792, [*marijuana*] **cannabis**
23 processing site registered under ORS 475C.815, or a medical [*marijuana*] **cannabis** dispensary reg-
24 istered under ORS 475C.833, acting in accordance with procedures adopted by the Oregon Liquor
25 and Cannabis Commission under ORS 475C.169; or

26 (d) A [*marijuana*] **cannabis** grow site registered under ORS 475C.792, acting in accordance with
27 ORS 475C.800 and any procedures adopted by rule by the commission.

28 (3) Except as provided in ORS 475C.117, the sale of [*marijuana*] **cannabis** items by a
29 [*marijuana*] **cannabis** retailer that holds a license issued under ORS 475C.097 must be restricted to
30 the premises for which the license has been issued.

31 (4) The commission may by order waive the requirements of subsections (1) and (2) of this sec-
32 tion to ensure compliance with ORS 475C.005 to 475C.525 or a rule adopted under ORS 475C.005 to
33 475C.525. An order issued under this subsection does not constitute a waiver of any other require-
34 ment of ORS 475C.005 to 475C.525 or any other rule adopted under ORS 475C.005 to 475C.525.

35 **SECTION 86.** ORS 475C.209, as amended by section 31, chapter 16, Oregon Laws 2024, is
36 amended to read:

37 475C.209. (1) In order to transport [*marijuana*] **cannabis** items, a licensee must create a manifest
38 that contains the following information:

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

40 (b) Identifying information for the driver's permit or temporary permit issued under ORS
41 475C.273;

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

43 (d) The name of the licensee from which the [*marijuana*] **cannabis** or [*marijuana*] **cannabis**
44 items are being transported;

45 (e) A detailed inventory of the [*marijuana*] **cannabis** and [*marijuana*] **cannabis** items being

1 transported;

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

4 (g) The destination of the [*marijuana*] **cannabis** and [*marijuana*] **cannabis** items being trans-
5 ported.

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

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

9 **SECTION 87.** ORS 475C.213 is amended to read:

10 475C.213. Except for a [*marijuana*] **cannabis** retailer registered under ORS 475C.149 to sell or
11 deliver [*marijuana*] **cannabis** items to a registry identification cardholder who is 18 years of age or
12 older or as allowed pursuant to ORS 475C.770 to 475C.919, a person may not sell or deliver an adult
13 use cannabis item to a person under 21 years of age.

14 **SECTION 88.** ORS 475C.217 is amended to read:

15 475C.217. (1) Subject to subsection (2) of this section, a licensee or licensee representative, be-
16 fore selling or providing a [*marijuana*] **cannabis** item to another person, must require the person to
17 produce one of the following pieces of identification:

18 (a) The person's passport, issued by the United States or a foreign government.

19 (b) The person's driver license, issued by the State of Oregon or another state of the United
20 States.

21 (c) An identification card issued under ORS 807.400.

22 (d) A United States military identification card.

23 (e) An identification card issued by a federally recognized Indian tribe.

24 (f) Any other identification card issued by a state or territory of the United States that bears
25 a picture of the person, the name of the person, the person's date of birth and a physical description
26 of the person.

27 (g) The person's proof of participation in the United States Customs and Border Protection Se-
28 cure Electronic Network for Travelers Rapid Inspection program or NEXUS program, or successor
29 programs.

30 (2) The Oregon Liquor and Cannabis Commission may adopt rules exempting a licensee or
31 licensee representative from this section.

32 **SECTION 89.** ORS 475C.221 is amended to read:

33 475C.221. (1) As used in this section, "information that may be used to identify a consumer"
34 means information that may be acquired through the production of a piece of identification as de-
35 scribed in ORS 475C.217, whether the information is contained in a piece of identification described
36 in ORS 475C.217 or in a different document or record.

37 (2) A consumer may not be required to procure for the purpose of acquiring or purchasing a
38 [*marijuana*] **cannabis** item a piece of identification other than:

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

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

42 (3) A [*marijuana*] **cannabis** retailer may not record and retain any information that may be used
43 to identify a consumer, except as necessary to make deliveries to consumers pursuant to ORS
44 475C.117, as required by any rules adopted under ORS 475C.117.

45 (4) A [*marijuana*] **cannabis** retailer may not transfer any information that may be used to

1 identify a consumer to any other person.

2 (5)(a) Notwithstanding subsection (3) of this section, a [*marijuana*] **cannabis** retailer may record
3 and retain the name and contact information of a consumer for the purpose of notifying the con-
4 sumer of services that the [*marijuana*] **cannabis** retailer provides or of discounts, coupons and other
5 marketing information if:

6 (A) The [*marijuana*] **cannabis** retailer asks the consumer whether the [*marijuana*] **cannabis**
7 retailer may record and retain the information; and

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

9 (b) This subsection does not authorize a [*marijuana*] **cannabis** retailer to transfer information
10 that may be used to identify a consumer.

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

13 **SECTION 90.** ORS 475C.229 is amended to read:

14 475C.229. (1) For purposes of this section:

15 (a) **“Cannabis item” includes an industrial hemp commodity or product that exceeds the**
16 **greater of:**

17 (A) **A concentration of 0.3 percent total delta-9-tetrahydrocannabinol; or**

18 (B) **The concentration of total delta-9-tetrahydrocannabinol allowed under federal law.**

19 [(a)] (b) “Export” includes placing a [*marijuana*] **cannabis** item in any mode of transportation
20 for hire, such as luggage, mail or parcel delivery, even if the transportation of the [*marijuana*]
21 **cannabis** item is intercepted prior to the [*marijuana*] **cannabis** item leaving this state.

22 [(b) “*Marijuana item*” includes an industrial hemp commodity or product that exceeds the greater
23 of:]

24 [(A) *A concentration of 0.3 percent total delta-9-tetrahydrocannabinol; or*]

25 [(B) *The concentration of total delta-9-tetrahydrocannabinol allowed under federal law.*]

26 (2) A person may not import [*marijuana*] **cannabis** items into this state or export [*marijuana*]
27 **cannabis** items from this state.

28 (3) A violation of this section is a Class B violation, except:

29 (a) As provided in subsection (4) of this section; or

30 (b) If the item is industrial hemp and does not exceed a total delta-9-tetrahydrocannabinol con-
31 centration of one percent.

32 (4) A violation of this section is a:

33 (a) Class A misdemeanor, if the importation or exportation:

34 (A) Is not for consideration and the person holds a license issued under ORS 475C.065, 475C.085,
35 475C.093 or 475C.097; or

36 (B) Concerns an amount of [*marijuana*] **cannabis** items that exceeds the applicable maximum
37 amount specified in ORS 475C.337 (1)(a) to (f).

38 (b) Class C felony, if the importation or exportation:

39 (A) Is for consideration and the person holds a license issued under ORS 475C.065, 475C.085,
40 475C.093 or 475C.097;

41 (B) Concerns an amount of [*marijuana*] **cannabis** items that exceeds 16 times the applicable
42 maximum amount specified in ORS 475C.337 (1)(a) to (f); or

43 (C) Concerns a cannabinoid extract that was not purchased from a [*marijuana*] **cannabis** retailer
44 that holds a license issued under ORS 475C.097.

45 **SECTION 91.** ORS 475C.233 is amended to read:

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

5 (2) The Oregon Liquor and Cannabis Commission may prohibit a licensee from selling any brand
 6 of [*marijuana*] **cannabis** item that in the commission's judgment is deceptively branded or labeled
 7 or contains injurious or adulterated ingredients.

8 **SECTION 92.** ORS 475C.237 is amended to read:

9 475C.237. (1) A [*marijuana*] **cannabis** item may not be sold or offered for sale within this state
 10 unless the [*marijuana*] **cannabis** item complies with the minimum standards prescribed by the stat-
 11 utory laws of this state.

12 (2) The Oregon Liquor and Cannabis Commission may prohibit the sale of a [*marijuana*]
 13 **cannabis** item by a [*marijuana*] **cannabis** retailer for a reasonable period of time for the purpose
 14 of determining whether the [*marijuana*] **cannabis** item complies with the minimum standards pre-
 15 scribed by the statutory laws of this state.

16 **SECTION 93.** ORS 475C.241 is amended to read:

17 475C.241. (1) Except for a [*marijuana*] **cannabis** producer that holds a license issued under ORS
 18 475C.065 or licensee representative of a [*marijuana*] **cannabis** producer that holds a license issued
 19 under ORS 475C.065, a licensee or licensee representative may not possess a mature [*marijuana*]
 20 **cannabis** plant.

21 (2) A licensee or licensee representative may not sell a mature [*marijuana*] **cannabis** plant.

22 **SECTION 94.** ORS 475C.245 is amended to read:

23 475C.245. (1) A person may not make false representations or statements to the Oregon Liquor
 24 and Cannabis Commission in order to induce or prevent action by the commission.

25 (2) A licensee may not maintain a noisy, lewd, disorderly or insanitary establishment or supply
 26 impure or otherwise deleterious [*marijuana*] **cannabis** items.

27 (3) A licensee may not misrepresent to a customer or to the public any [*marijuana*] **cannabis**
 28 items.

29 **SECTION 95.** ORS 475C.249 is amended to read:

30 475C.249. A license issued under ORS 475C.005 to 475C.525 or 475C.548:

31 (1) Is issued for both adult use purposes and medical use purposes; and

32 (2) Serves the purpose of exempting the person that holds the license from the criminal laws of
 33 this state for possession, delivery or manufacture of [*marijuana*] **cannabis** items, provided that the
 34 person complies with all state laws and rules applicable to licensees.

35 **SECTION 96.** ORS 475C.253 is amended to read:

36 475C.253. (1) An industrial hemp product or commodity offered for sale by a [*marijuana*]
 37 **cannabis** retailer that holds a license issued under ORS 475C.097 must carry a label that clearly
 38 identifies whether the product or commodity is derived from hemp or [*marijuana*] **cannabis**.

39 (2) The Oregon Liquor and Cannabis Commission may inspect the premises of a [*marijuana*]
 40 **cannabis** retailer that holds a license issued under ORS 475C.097 to ensure compliance with this
 41 section.

42 **SECTION 97.** ORS 475C.257 is amended to read:

43 475C.257. (1) As used in this section:

44 (a) "Cannabis item" includes an industrial hemp commodity or product that exceeds:

45 (A) The concentration of adult use cannabinoids established by the Oregon Liquor and

1 **Cannabis Commission, in consultation with the Oregon Health Authority and the State De-**
 2 **partment of Agriculture, by rule; or**

3 **(B) The greater of:**

4 **(i) A concentration of 0.3 percent total delta-9-tetrahydrocannabinol; or**

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

6 [(a)] **(b)** “Consumer” means a person who purchases, acquires, owns, holds or uses [*marijuana*]
 7 **cannabis** items other than for the purpose of resale.

8 [(b) “*Marijuana item*” includes an industrial hemp commodity or product that exceeds:]

9 [(A) *The concentration of adult use cannabinoids established by the Oregon Liquor and Cannabis*
 10 *Commission, in consultation with the Oregon Health Authority and the State Department of Agricul-*
 11 *ture, by rule; or]*

12 [(B) *The greater of:*]

13 [(i) *A concentration of 0.3 percent total delta-9-tetrahydrocannabinol; or]*

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

15 (2) A person other than a [*marijuana*] **cannabis** retailer that holds a license issued under ORS
 16 475C.097 may not sell [*marijuana*] **cannabis** items to a consumer.

17 **SECTION 98.** ORS 475C.265, as amended by section 32, chapter 16, Oregon Laws 2024, is
 18 amended to read:

19 475C.265. (1) Subject to subsection (3) of this section, the Oregon Liquor and Cannabis Com-
 20 mission may revoke, suspend or restrict a license issued under ORS 475C.005 to 475C.525 or
 21 475C.548 or require a licensee or licensee representative to undergo training if the commission finds
 22 or has reasonable ground to believe that the licensee or licensee representative:

23 (a) Has violated a provision of ORS 475C.005 to 475C.525 or 475C.540 to 475C.586 or a rule
 24 adopted under ORS 475C.005 to 475C.525 or 475C.540 to 475C.586.

25 (b) Has diverted [*marijuana*] **cannabis** to the interstate market or an illicit market or has di-
 26 verted resources to a criminal enterprise.

27 (c) Has introduced into the [*marijuana*] **cannabis** industry regulated under ORS 475C.005 to
 28 475C.525 cannabinoids or [*marijuana*] **cannabis** not produced or processed by a licensee and not
 29 tracked in the system developed and maintained under ORS 475C.177.

30 (d) Has made any false representation or statement to the commission regarding compliance
 31 with a provision of ORS 475C.005 to 475C.525 or 475C.540 to 475C.586 or a rule adopted under ORS
 32 475C.005 to 475C.525 or 475C.540 to 475C.586 in order to induce or prevent action by the commis-
 33 sion.

34 (e) Is in the habit of using alcoholic liquor, habit-forming drugs, [*marijuana*] **cannabis** or con-
 35 trolled substances to excess.

36 (f) Has misrepresented to a customer or the public any [*marijuana*] **cannabis** items sold by the
 37 licensee or licensee representative.

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

41 (h) Has sold a [*marijuana*] **cannabis** item to a person under 21 years of age.

42 (2) In addition to the grounds listed in subsection (1) of this section, the commission may take
 43 an action described in subsection (1) of this section if there is a history of a lack of institutional
 44 control involving the premises for which a license has been issued under ORS 475C.005 to 475C.525
 45 or 475C.548.

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

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

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

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

8 (C) A demonstration that, to the satisfaction of the commission, the licensee's willingness and
9 ability to adequately control the premises for which a license has been issued under ORS 475C.005
10 to 475C.525 or 475C.548 and any inventory stored at the premises.

11 (4) The commission may suspend or restrict a license issued under ORS 475C.005 to 475C.525
12 or 475C.548 or require a licensee or licensee representative to undergo training if the commission
13 finds or has reasonable grounds to believe that the licensee or licensee representative has violated
14 a provision of ORS 475C.005 to 475C.525 or 475C.540 to 475C.586 or a rule adopted under ORS
15 475C.005 to 475C.525 or 475C.540 to 475C.586.

16 (5) The commission may suspend or revoke a permit or temporary permit issued under ORS
17 475C.273 to an individual rather than suspend or revoke a license issued under ORS 475C.005 to
18 475C.525 or 475C.548 if the commission determines that permit suspension or revocation is more
19 appropriate.

20 (6)(a) The commission may revoke a [*marijuana*] **cannabis** retailer license issued under ORS
21 475C.097 if the licensee fails to:

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

25 (B) File a return as required under ORS 475C.682 twice in any four consecutive quarters and
26 the department has issued to the licensee a notice of determination and assessment under ORS
27 475C.688 for failure to file a return.

28 (b) The department's written notice to the commission that a licensee described under this sub-
29 section has failed to pay a tax or file a return twice in any four consecutive quarters, and that the
30 department has issued a distraint warrant or notice of determination and assessment, shall consti-
31 tute prima facie evidence of the licensee's failure to pay the tax or file a return.

32 **SECTION 99.** ORS 475C.269, as amended by section 27, chapter 16, Oregon Laws 2024, is
33 amended to read:

34 475C.269. (1) An individual who performs work for or on behalf of a licensee or a laboratory li-
35 censed under ORS 475C.548 must have a valid permit or temporary permit issued by the Oregon
36 Liquor and Cannabis Commission under ORS 475C.273 if the individual participates in:

37 (a) The delivery, possession, production, propagation, processing, sampling, securing, selling or
38 testing of [*marijuana*] **cannabis** items at the premises or laboratory for which the license has been
39 issued;

40 (b) The recording of the delivery, possession, production, propagation, processing, sampling, se-
41 curing, selling or testing of [*marijuana*] **cannabis** items at the premises or laboratory for which the
42 license has been issued; or

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

44 (2) A licensee or a laboratory licensed under ORS 475C.548 must verify that an individual has
45 a valid permit or temporary permit issued under ORS 475C.273 before allowing the individual to

1 perform, or continue to perform, any work described in subsection (1) of this section at the premises
2 or laboratory for which the license has been issued.

3 **SECTION 100.** ORS 475C.273, as amended by section 28, chapter 16, Oregon Laws 2024, is
4 amended to read:

5 475C.273. (1) The Oregon Liquor and Cannabis Commission shall issue permits to qualified ap-
6 plicants to perform work described in ORS 475C.269. The commission shall adopt rules establishing:

- 7 (a) The qualifications for performing work described in ORS 475C.269;
- 8 (b) The term of a permit issued under this section;
- 9 (c) Procedures for applying for and renewing a permit issued under this section; and
- 10 (d) Reasonable application, issuance and renewal fees for a permit issued under this section.

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

- 14 (A) Checking identification;
- 15 (B) Detecting intoxication;
- 16 (C) Handling [*marijuana*] **cannabis** items;
- 17 (D) If applicable, producing and propagating [*marijuana*] **cannabis**;
- 18 (E) If applicable, processing [*marijuana*] **cannabis**;
- 19 (F) The content of ORS 475C.005 to 475C.525 and rules adopted under ORS 475C.005 to 475C.525;
- 20 (G) If applicable, the content of ORS 475C.540 to 475C.586 and rules adopted under ORS
21 475C.540 to 475C.586; or

22 (H) Any matter deemed necessary by the commission to protect the public health and safety.

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

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

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

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

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

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

36 (a) Is convicted of a felony or is convicted of an offense under ORS 475C.005 to 475C.525, except
37 that the commission may not consider a conviction for an offense under ORS 475C.005 to 475C.525
38 if the date of the conviction is two or more years before the date of the application or renewal;

39 (b) Violates any provision of ORS 475C.005 to 475C.525 or 475C.540 to 475C.586 or any rule
40 adopted under ORS 475C.005 to 475C.525 or 475C.540 to 475C.586; or

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

42 (5) A permit issued under this section is a personal privilege and permits work described under
43 ORS 475C.269 only for the individual who holds the permit.

44 (6)(a) The commission shall establish by rule a process to issue to an individual, upon receipt
45 of the individual's application for a permit described in subsection (1) of this section, a temporary

1 permit to perform work described in ORS 475C.269 until the issuance or denial of a permit described
2 in subsection (1) of this section.

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

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

7 **SECTION 101.** ORS 475C.289 is amended to read:

8 475C.289. (1) The Oregon Liquor and Cannabis Commission, in consultation with the Oregon
9 Health Authority and the State Department of Agriculture, shall establish a program for the purpose
10 of identifying and certifying private and public researchers of cannabis.

11 (2)(a) The authority shall assist the commission in identifying candidates for certification under
12 this section with respect to potential medical research.

13 (b) The department shall assist the commission in identifying candidates for certification under
14 this section with respect to potential agricultural research.

15 (3) Subject to subsection (4) of this section, the commission shall adopt by rule or order:

16 (a) Qualifications for certification under this section;

17 (b) The term of a certificate issued under this section;

18 (c) Processes for applying for, receiving and renewing a certificate under this section;

19 (d) Procedures for tracking [*marijuana*] **cannabis**, usable [*marijuana*] **cannabis**, cannabinoid
20 products, cannabinoid concentrates and cannabinoid extracts received by and disposed or otherwise
21 made use of by a person that holds a certificate issued under this section; and

22 (e) Procedures for disposing or otherwise making use of [*marijuana*] **cannabis**, usable
23 [*marijuana*] **cannabis**, cannabinoid products, cannabinoid concentrates and cannabinoid extracts.

24 (4) In establishing qualifications under subsection (3) of this section, the commission shall con-
25 sider the following:

26 (a) A research applicant's access to funding and the overall cost of the proposed research;

27 (b) The overall benefit of an applicant's proposed research to this state's cannabis industry or
28 to public health and safety; and

29 (c) Legal barriers to conducting the proposed research or legal risks associated with conducting
30 the proposed research.

31 (5) In adopting procedures under subsection (3)(d) and (e) of this section with respect to making
32 use of [*marijuana*] **cannabis**, usable [*marijuana*] **cannabis**, cannabinoid products, cannabinoid con-
33 centrates and cannabinoid extracts, the commission shall also adopt procedures by which a person
34 that holds a certificate issued under this section may transfer limited amounts of [*marijuana*]
35 **cannabis**, usable [*marijuana*] **cannabis**, cannabinoid products, cannabinoid concentrates and
36 cannabinoid extracts to another person that holds a certificate issued under this section or to a
37 premises for which a license has been issued under ORS 475C.065, 475C.085, 475C.093 or 475C.097.

38 (6) In adopting procedures under subsection (3)(d) and (e) of this section with respect to making
39 use of [*marijuana*] **cannabis**, usable [*marijuana*] **cannabis**, cannabinoid products, cannabinoid con-
40 centrates and cannabinoid extracts, the commission shall also adopt procedures by which a person
41 that holds a certificate issued under this section may give, devise or bequest usable [*marijuana*]
42 **cannabis**, immature [*marijuana*] **cannabis** plants, [*marijuana*] **cannabis** seeds, cannabinoid products,
43 cannabinoid concentrates and cannabinoid extracts to a medical [*marijuana*] **cannabis** dispensary
44 registered with the authority under ORS 475C.833 and owned by a nonprofit corporation organized
45 under ORS chapter 65 for purposes described in ORS 475C.850.

1 (7) A person that holds a certificate issued under this section:

2 (a) May receive [*marijuana*] **cannabis**, usable [*marijuana*] **cannabis**, cannabinoid products,
3 cannabinoid concentrates and cannabinoid extracts from a licensee or a registrant under ORS
4 475C.770 to 475C.919; and

5 (b) May not sell or otherwise transfer [*marijuana*] **cannabis**, usable [*marijuana*] **cannabis**,
6 cannabinoid products, cannabinoid concentrates or cannabinoid extracts to any other person, except
7 as provided in this section and rules adopted by the commission under this section.

8 (8) Except as otherwise provided by the commission by rule, rules adopted under ORS 475C.005
9 to 475C.525 with respect to licensees and licensee representatives apply to persons that hold a cer-
10 tificate issued under this section and persons employed by or who otherwise perform work for per-
11 sons that hold a certificate issued under this section.

12 (9) A person that holds a certificate issued under this section, and an employee of or other
13 person who performs work for a person that holds a certificate issued under this section, is exempt
14 from the criminal laws of this state for possession, delivery or manufacture of [*marijuana*]
15 **cannabis**, aiding and abetting another in the possession, delivery and manufacture of [*marijuana*]
16 **cannabis**, or any other criminal offense in which possession, delivery or manufacture of
17 [*marijuana*] **cannabis** is an element, while performing activities related to conducting research as
18 described in this section.

19 **SECTION 102.** Section 25, chapter 23, Oregon Laws 2016, is amended to read:

20 **Sec. 25.** The Oregon Health Authority shall solicit proposals through a competitive process for
21 the purpose of choosing one or more entities to conduct research for the purpose of developing
22 public health and safety standards for consumers of [*marijuana*] **cannabis** and [*marijuana-derived*]
23 **cannabis-derived** products.

24 **SECTION 103.** ORS 475C.297, as amended by section 7, chapter 16, Oregon Laws 2024, is
25 amended to read:

26 475C.297. The [*Marijuana*] **Cannabis** Control and Regulation Fund is established in the State
27 Treasury, separate and distinct from the General Fund. Interest earned by the [*Marijuana*] **Cannabis**
28 Control and Regulation Fund shall be credited to the fund. Moneys in the fund are continuously
29 appropriated to the Oregon Liquor and Cannabis Commission to administer and enforce ORS
30 475C.005 to 475C.525, 475C.540 to 475C.586, 475C.600 to 475C.648, 475C.925 and 571.309 and sections
31 2 and 4, chapter 16, Oregon Laws 2024.

32 **SECTION 104.** ORS 475C.297, as amended by sections 7 and 15, chapter 16, Oregon Laws 2024,
33 is amended to read:

34 475C.297. The [*Marijuana*] **Cannabis** Control and Regulation Fund is established in the State
35 Treasury, separate and distinct from the General Fund. Interest earned by the [*Marijuana*] **Cannabis**
36 Control and Regulation Fund shall be credited to the fund. Moneys in the fund are continuously
37 appropriated to the Oregon Liquor and Cannabis Commission to administer and enforce ORS
38 475C.005 to 475C.525, 475C.540 to 475C.586, 475C.600 to 475C.648, 475C.925 and 571.309 and sections
39 2, 4 and 11 to 14, chapter 16, Oregon Laws 2024.

40 **SECTION 105.** ORS 475C.301 is amended to read:

41 475C.301. (1) In addition to the duties, functions and powers described in ORS 471.775, and sub-
42 ject to subsection (2) of this section, a regulatory specialist, as defined in ORS 471.001, has the au-
43 thority as provided in ORS 133.005 to 133.400, 133.450, 133.525 to 133.703, 133.721 to 133.739, 161.233,
44 161.245, 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648, and chapter 743,
45 Oregon Laws 1971, to conduct inspections and investigations, make seizures, aid in prosecutions of

1 and issue citations to licensees and persons who hold a certificate or permit under ORS 475C.005
 2 to 475C.525 for violations of and offenses related to, and otherwise enforce, ORS 475C.005 to
 3 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648, any rule adopted under ORS 475C.005 to
 4 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648 and any other law of this state that charges
 5 the Oregon Liquor and Cannabis Commission with a duty, function or power related to a
 6 [marijuana] **cannabis** item, including enforcing any law or rule related to individuals who use false
 7 identification for purposes of purchasing or possessing a [marijuana] **cannabis** item or who engage
 8 in illegal activity on or near a premises.

9 (2) A regulatory specialist may not:

10 (a) Be sworn in as a federal law enforcement official and act in that capacity while performing
 11 an activity authorized by this section.

12 (b) Carry a firearm.

13 (c) Conduct inspections and investigations of a primary residence.

14 (d) For purposes of ensuring compliance with ORS 475C.770 to 475C.919, conduct inspections and
 15 investigations of registry identification cardholders or designated primary caregivers, the residences
 16 of registry identification cardholders or designated primary caregivers, or the locations where reg-
 17 istry identification cardholders or designated primary caregivers produce [marijuana] **cannabis**.

18 **SECTION 106.** ORS 475C.305 is amended to read:

19 475C.305. ORS 475C.017, 475C.021, 475C.025, 475C.029, 475C.033, 475C.037, 475C.041, 475C.045,
 20 475C.049, 475C.053, 475C.057, 475C.061, 475C.065, 475C.077, 475C.085, 475C.093, 475C.097, 475C.105,
 21 475C.109, 475C.113, 475C.117, 475C.137, 475C.141, 475C.145, 475C.149, 475C.157, 475C.161, 475C.165,
 22 475C.173, 475C.177, 475C.205, 475C.213, 475C.217, 475C.225, 475C.233, 475C.237, 475C.241, 475C.245,
 23 475C.265, 475C.269, 475C.273, 475C.281, 475C.285, 475C.289, 475C.297, 475C.433, 475C.437, 475C.445,
 24 475C.449, 475C.453, 475C.461, 475C.465, 475C.473, 475C.477, 475C.481, 475C.485, 475C.489 and
 25 475C.493 do not apply:

26 (1) To the production or storage of homegrown plants in the genus Cannabis within the plant
 27 family Cannabaceae that are otherwise subject to ORS 475C.005 to 475C.525 at a household by one
 28 or more persons 21 years of age and older, if the total amount of homegrown plants at the household
 29 does not exceed four plants at any time.

30 (2) To the possession or storage of usable [marijuana] **cannabis** items at a household by one or
 31 more persons 21 years of age or older, if the total amount of usable [marijuana] **cannabis** at the
 32 household does not exceed eight ounces of usable [marijuana] **cannabis** at any time.

33 (3) To the making, processing, possession or storage of cannabinoid products at a household by
 34 one or more persons 21 years of age and older, if the total amount of cannabinoid products at the
 35 household does not exceed 16 ounces in solid form at any time.

36 (4) To the making, processing, possession or storage of cannabinoid products at a household by
 37 one or more persons 21 years of age and older, if the total amount of cannabinoid products at the
 38 household does not exceed 72 ounces in liquid form at any time.

39 (5) To the making, processing, possession or storage of cannabinoid concentrates at a household
 40 by one or more persons 21 years of age or older, if the total amount of cannabinoid concentrates
 41 at the household does not exceed 16 ounces at any time.

42 (6) To the possession of cannabinoid extracts at a household by one or more persons 21 years
 43 of age or older, if the cannabinoid extracts were purchased from a [marijuana] **cannabis** retailer
 44 that holds a license under ORS 475C.097, or transferred by a medical [marijuana] **cannabis**
 45 dispensary registered by the Oregon Health Authority under ORS 475C.833, and the total amount

1 of cannabinoid extracts at the household does not exceed one ounce at any time.

2 (7) To the delivery of not more than one ounce of usable [*marijuana*] **cannabis** at a time by a
3 person 21 years of age or older to another person 21 years of age or older for noncommercial pur-
4 poses.

5 (8) To the delivery of not more than 16 ounces of cannabinoid products in solid form at a time
6 by a person 21 years of age or older to another person 21 years of age or older for noncommercial
7 purposes.

8 (9) To the delivery of not more than 72 ounces of cannabinoid products in liquid form at a time
9 by a person 21 years of age or older to another person 21 years of age or older for noncommercial
10 purposes.

11 (10) To the delivery of not more than 16 ounces of cannabinoid concentrates at a time by a
12 person 21 years of age or older to another person 21 years of age or older for noncommercial pur-
13 poses.

14 **SECTION 107.** ORS 475C.309 is amended to read:

15 475C.309. (1) A person may not produce, process, possess or store homegrown [*marijuana*]
16 **cannabis**, cannabinoid products or cannabinoid concentrates if the homegrown [*marijuana*]
17 **cannabis**, cannabinoid products or cannabinoid concentrates can be seen by normal unaided vision
18 from a public place.

19 (2) A person may not possess or store a cannabinoid extract if the cannabinoid extract can be
20 seen by normal unaided vision from a public place.

21 (3) A violation of subsection (1) or (2) of this section is a Class B violation.

22 **SECTION 108.** ORS 475C.313 is amended to read:

23 475C.313. (1) A person other than a [*marijuana*] **cannabis** processor that holds a license issued
24 under ORS 475C.085 may not process cannabinoid extracts into a cannabinoid product.

25 (2) A person may not produce, process or store homemade industrial hemp extracts.

26 (3) Violation of this section is a Class A misdemeanor.

27 **SECTION 109.** ORS 475C.317 is amended to read:

28 475C.317. (1)(a) A person under 21 years of age may not possess, attempt to purchase or pur-
29 chase a [*marijuana*] **cannabis** item.

30 (b) For purposes of this subsection, purchasing a [*marijuana*] **cannabis** item includes accepting
31 a [*marijuana*] **cannabis** item, and possessing a [*marijuana*] **cannabis** item includes consuming a
32 [*marijuana*] **cannabis** item, provided that the consumption of the [*marijuana*] **cannabis** item oc-
33 curred no more than 24 hours before the determination that the person consumed the [*marijuana*]
34 **cannabis** item.

35 (2) Except as authorized by the Oregon Liquor and Cannabis Commission by rule, or as neces-
36 sary in an emergency, a person under 21 years of age may not enter or attempt to enter any portion
37 of a premises that is posted or otherwise identified as being prohibited to the use of persons under
38 21 years of age.

39 (3)(a) Except as provided in paragraph (b) of this subsection, a person who violates subsection
40 (1) or (2) of this section commits a Class B violation.

41 (b) A person commits a Class A violation if the person violates subsection (1) of this section by
42 reason of possessing a [*marijuana*] **cannabis** item while the person is operating a motor vehicle as
43 defined in ORS 801.360.

44 (4) In addition to and not in lieu of any other penalty established by law:

45 (a) The court may require a person who violates subsection (1) of this section through misrep-

1 resentation of age to perform community service; and

2 (b) The court shall order that, when a person violates subsection (1) of this section, the person's
3 driving privileges and right to apply for driving privileges be suspended pursuant to ORS 809.260
4 and 809.280. The court notification made to the Department of Transportation under this paragraph
5 may include a recommendation that the person be granted a hardship permit under ORS 807.240 if
6 the person is otherwise eligible for the permit.

7 (5) If a person cited under this section is at least 13 years of age but less than 21 years of age
8 at the time the person is found in default under ORS 153.102 or 419C.472 for failure to appear, in
9 addition to and not in lieu of any other penalty established by law, the court shall issue notice under
10 ORS 809.220 to the department for the department to suspend the person's driving privileges under
11 ORS 809.280 (4).

12 (6) In addition to and not in lieu of any penalty established by law, the court may order a person
13 who violates this section to undergo assessment and treatment. The court shall order a person to
14 undergo assessment and treatment if the person has previously been found to have violated this
15 section.

16 (7) The prohibitions of this section do not apply to a person under 21 years of age who is acting
17 under the direction of the commission or under the direction of state or local law enforcement
18 agencies for the purpose of investigating possible violations of laws prohibiting sales of
19 [*marijuana*] **cannabis** items to persons who are under 21 years of age.

20 (8) The prohibitions of this section do not apply to a person under 21 years of age who is acting
21 under the direction of a licensee for the purpose of investigating possible violations by employees
22 of the licensee of laws prohibiting sales of [*marijuana*] **cannabis** items to persons who are under 21
23 years of age.

24 (9)(a) A person under 21 years of age is not in violation of, and is immune from prosecution
25 under, this section if:

26 (A) The person contacted emergency medical services or a law enforcement agency in order to
27 obtain medical assistance for another person who was in need of medical assistance because that
28 person consumed a [*marijuana*] **cannabis** item and the evidence of the violation was obtained as a
29 result of the person's having contacted emergency medical services or a law enforcement agency;
30 or

31 (B) The person was in need of medical assistance because the person consumed a [*marijuana*]
32 **cannabis** item and the evidence of the violation was obtained as a result of the person's having
33 sought or obtained the medical assistance.

34 (b) Paragraph (a) of this subsection does not exclude the use of evidence obtained as a result
35 of a person's having sought medical assistance in proceedings for crimes or offenses other than a
36 violation of this section.

37 **SECTION 110.** ORS 475C.321 is amended to read:

38 475C.321. (1) A person may not produce any piece of identification that falsely indicates the
39 person's age.

40 (2) Violation of this section is a Class A misdemeanor.

41 (3) If a piece of identification is offered as evidence in any administrative or criminal prose-
42 cution of a licensee or licensee representative for sale or service of a [*marijuana*] **cannabis** item to
43 a person under 21 years of age, the licensee or licensee representative is not guilty of any offense
44 prohibiting a person from selling or serving a [*marijuana*] **cannabis** item to a person under 21 years
45 of age unless it is demonstrated that a reasonable person would have determined that the identifi-

1 cation exhibited by the person under 21 years of age was altered, or that the identification exhibited
 2 by the person under 21 years of age did not accurately describe the person to whom the
 3 [*marijuana*] **cannabis** item was sold or served.

4 **SECTION 111.** ORS 475C.325 is amended to read:

5 475C.325. When a person is ordered to undergo assessment and treatment as provided in ORS
 6 475C.317, the court shall require the person to do all of the following:

7 (1) Pay to the court the fee described under ORS 813.030 in addition to any fine imposed under
 8 ORS 475C.850.

9 (2) Complete an examination by an agency or organization designated by the court to determine
 10 whether the person has a problem condition involving [*marijuana*] **cannabis** as described in ORS
 11 813.040. The designated agencies or organizations must meet minimum standards established under
 12 ORS 430.357 to perform the diagnostic assessment and treatment of problem [*marijuana*] **cannabis**
 13 use and must be certified by the Director of the Oregon Health Authority.

14 (3) Complete a treatment program, paid at the expense of the person convicted, as follows:

15 (a) If the examination required under this section shows that the person has a problem condition
 16 involving [*marijuana*] **cannabis**, a program for rehabilitation for problem [*marijuana*] **cannabis** use
 17 approved by the director.

18 (b) If the examination required by this section shows that the person does not have a problem
 19 condition involving [*marijuana*] **cannabis**, a [*marijuana*] **cannabis** information program approved by
 20 the director.

21 **SECTION 112.** ORS 475C.329 is amended to read:

22 475C.329. (1) A person may not sell, give or otherwise make available a [*marijuana*] **cannabis**
 23 item to a person who is visibly intoxicated.

24 (2)(a) A person who exercises control over private real property may not knowingly allow a
 25 person under 21 years of age to consume a [*marijuana*] **cannabis** item on the property, or allow
 26 another person under 21 years of age to remain on the property if the person under 21 years of age
 27 consumes a [*marijuana*] **cannabis** item on the property.

28 (b) This subsection:

29 (A) Applies only to a person who is present and in control of the location at the time the con-
 30 sumption occurs; and

31 (B) Does not apply to the owner of rental property, or the agent of an owner of rental property,
 32 unless the consumption occurs in the individual housing unit in which the owner or agent resides.

33 (3) Violation of this section is a Class A misdemeanor.

34 **SECTION 113.** ORS 475C.333 is amended to read:

35 475C.333. (1) A [*marijuana*] **cannabis** item may not be given as a prize, premium or consider-
 36 ation for a lottery, contest, game of chance, game of skill or competition of any kind.

37 (2) Violation of this section is a Class A misdemeanor.

38 **SECTION 114.** ORS 475C.337 is amended to read:

39 475C.337. (1) Except for licensees and licensee representatives acting in accordance with ORS
 40 475C.005 to 475C.525 and any rule adopted under ORS 475C.005 to 475C.525, it is unlawful for any
 41 person 21 years of age or older to possess, knowingly or intentionally:

42 (a) An amount of plants in the genus *Cannabis* within the plant family Cannabaceae in excess
 43 of the amount allowed under ORS 475C.305 (1).

44 (b) More than two ounces of usable [*marijuana*] **cannabis** in a public place.

45 (c) More than eight ounces of usable [*marijuana*] **cannabis**.

1 (d) More than 16 ounces of cannabinoid products in solid form or cannabinoid concentrates.

2 (e) More than 72 ounces of cannabinoid products in liquid form.

3 (f) More than one ounce of cannabinoid extracts.

4 (g) A cannabinoid extract that was not purchased from a [*marijuana*] **cannabis** retailer that
5 holds a license issued under ORS 475C.097.

6 (2) Except as provided in subsection (3) of this section, unlawful possession of a [*marijuana*]
7 **cannabis** item is a Class A misdemeanor.

8 (3) Unlawful possession of a [*marijuana*] **cannabis** item is:

9 (a) A Class B violation, if the amount possessed is not more than two times the applicable
10 maximum amount specified in subsection (1)(a) to (f) of this section.

11 (b) A Class B misdemeanor, if the amount possessed is more than two times, but not more than
12 four times, the applicable maximum amount specified in subsection (1)(a) to (f) of this section.

13 (c) A Class C felony, if the amount possessed is:

14 (A) More than 16 times the applicable maximum amount specified in subsection (1)(a), (c), (d),
15 (e) or (f) of this section;

16 (B) More than eight pounds of usable [*marijuana*] **cannabis** in a public place; or

17 (C) More than one-quarter ounce of cannabinoid extract that was not purchased from a
18 [*marijuana*] **cannabis** retailer that holds a license issued under ORS 475C.097.

19 (d) A Class B felony, if:

20 (A) The amount possessed is more than 32 times the applicable maximum amount specified in
21 subsection (1)(a), (c), (d), (e) or (f) of this section; or

22 (B) The violation is a [*marijuana*] **cannabis** offense involving reckless unlawful conduct under
23 ORS 475C.353 (5) or a [*marijuana*] **cannabis** offense involving knowing unlawful conduct under ORS
24 475C.353 (6).

25 **SECTION 115.** ORS 475C.341 is amended to read:

26 475C.341. (1) Except for licensees and licensee representatives acting in accordance with ORS
27 475C.005 to 475C.525 and any rule adopted under ORS 475C.005 to 475C.525, it is unlawful for any
28 person under 21 years of age to possess, knowingly or intentionally:

29 (a) An amount of plants in the genus *Cannabis* within the plant family Cannabaceae in excess
30 of the amount allowed under ORS 475C.305 (1).

31 (b) More than two ounces of usable [*marijuana*] **cannabis** in a public place.

32 (c) More than eight ounces of usable [*marijuana*] **cannabis**.

33 (d) More than 16 ounces of cannabinoid products in solid form or cannabinoid concentrates.

34 (e) More than 72 ounces of cannabinoid products in liquid form.

35 (f) More than one ounce of cannabinoid extracts.

36 (g) A cannabinoid extract that was not purchased from a [*marijuana*] **cannabis** retailer that
37 holds a license under ORS 475C.097.

38 (2) Except as provided in subsections (3) and (4) of this section, unlawful possession of a
39 [*marijuana*] **cannabis** item by a person under 21 years of age is a Class A misdemeanor.

40 (3) Unlawful possession of a [*marijuana*] **cannabis** item by a person under 21 years of age is a
41 Class C felony, if the amount possessed is:

42 (a) More than 16 times the applicable maximum amount specified in subsection (1)(a), (c), (d), (e)
43 or (f) of this section;

44 (b) More than eight pounds of usable [*marijuana*] **cannabis** in a public place; or

45 (c) More than one-quarter ounce of cannabinoid extract that was not purchased from a

1 [marijuana] **cannabis** retailer that holds a license issued under ORS 475C.097.

2 (4) Unlawful possession of a [marijuana] **cannabis** item by a person under 21 years of age is a
3 Class B felony, if:

4 (a) The amount possessed is more than 32 times the applicable maximum amount specified in
5 subsection (1)(a), (c), (d), (e) or (f) of this section; or

6 (b) The violation is a [marijuana] **cannabis** offense involving reckless unlawful conduct under
7 ORS 475C.353 (5) or a [marijuana] **cannabis** offense involving knowing unlawful conduct under ORS
8 475C.353 (6).

9 **SECTION 116.** ORS 475C.345 is amended to read:

10 475C.345. (1) Except for licensees and licensee representatives acting in accordance with ORS
11 475C.005 to 475C.525 and any rule adopted under ORS 475C.005 to 475C.525, and except for a person
12 acting within the scope of and in compliance with ORS 475C.305, it is unlawful for any person to
13 deliver a [marijuana] **cannabis** item.

14 (2) Except as provided in subsection (3) of this section, unlawful delivery of a [marijuana]
15 **cannabis** item is a Class A misdemeanor.

16 (3) Unlawful delivery of a [marijuana] **cannabis** item is:

17 (a) A Class B misdemeanor, if a person 21 years of age or older unlawfully delivers usable
18 [marijuana] **cannabis**, for no consideration, to a person 21 years of age or older, and the total
19 amount of usable [marijuana] **cannabis** delivered is not more than twice the amount described in
20 ORS 475C.305 (7).

21 (b) A Class C felony, if:

22 (A) The delivery involves:

23 (i) More than 16 times the applicable maximum amount specified in ORS 475C.337 (1)(a), (c), (d),
24 (e) or (f);

25 (ii) More than eight pounds of usable [marijuana] **cannabis** in a public place; or

26 (iii) More than one-quarter ounce of cannabinoid extract that was not purchased from a
27 [marijuana] **cannabis** retailer that holds a license issued under ORS 475C.097.

28 (B) The [marijuana] **cannabis** item is delivered to a person under 21 years of age, unless the
29 person delivering the [marijuana] **cannabis** item is under 24 years of age at the time of the delivery
30 and delivers not more than one ounce of usable [marijuana] **cannabis**, for no consideration, to a
31 person who is 16 years of age or older.

32 **SECTION 117.** ORS 475C.349 is amended to read:

33 475C.349. (1) Except for licensees and licensee representatives acting in accordance with ORS
34 475C.005 to 475C.525 and any rule adopted under ORS 475C.005 to 475C.525, and except for a person
35 acting within the scope of and in compliance with ORS 475C.305, it is unlawful for any person to
36 manufacture a [marijuana] **cannabis** item.

37 (2) Except as provided in subsection (3) of this section, unlawful manufacture of a [marijuana]
38 **cannabis** item is a Class A misdemeanor.

39 (3) Unlawful manufacture of a [marijuana] **cannabis** item is:

40 (a) A Class B misdemeanor, if a person 21 years of age or older unlawfully manufactures
41 homegrown [marijuana] **cannabis** at a household and the total number of homegrown plants in the
42 genus Cannabis within the plant family Cannabaceae at the household exceeds four plants but does
43 not exceed eight plants.

44 (b) A Class C felony, if:

45 (A) A person unlawfully manufactures [marijuana] **cannabis** and the total number of plants in

1 the genus Cannabis within the plant family Cannabaceae exceeds 12 plants; or

2 (B) A person unlawfully manufactures a cannabinoid product or a cannabinoid concentrate and
3 the total amount of cannabinoid products or the total amount of cannabinoid concentrates exceeds
4 twice the applicable maximum amount specified in ORS 475C.337 (1)(d), (e) or (f).

5 (c) A Class B felony, if:

6 (A) A person unlawfully manufactures a cannabinoid extract;

7 (B) The violation involves the manufacture of more than 100 [*marijuana*] **cannabis** plants,
8 whether mature or immature; or

9 (C) The violation is a [*marijuana*] **cannabis** offense involving reckless unlawful conduct under
10 ORS 475C.353 (5) or a [*marijuana*] **cannabis** offense involving knowing unlawful conduct under ORS
11 475C.353 (6).

12 **SECTION 118.** ORS 475C.353 is amended to read:

13 475C.353. (1) Except as provided in subsections (3), (5) and (6) of this section, a felony under
14 ORS 475C.337 or 475C.341 shall be classified as crime category 1 of the sentencing guidelines grid
15 of the Oregon Criminal Justice Commission.

16 (2) Except as provided in subsections (3), (5) and (6) of this section, a felony under ORS 475C.345
17 or 475C.349 shall be classified as crime category 4 of the sentencing guidelines grid of the Oregon
18 Criminal Justice Commission.

19 (3) Subject to subsection (4) of this section, a felony under ORS 475C.337, 475C.341, 475C.345 or
20 475C.349 shall be classified as crime category 8 of the sentencing guidelines grid of the Oregon
21 Criminal Justice Commission if the violation is a commercial [*marijuana*] **cannabis** offense. A vio-
22 lation is a commercial [*marijuana*] **cannabis** offense for purposes of this subsection if the violation
23 was accompanied by at least three of the following factors:

24 (a) The offender delivered a [*marijuana*] **cannabis** item for consideration;

25 (b) The offender was in possession of \$300 or more in cash;

26 (c) The offender was unlawfully in possession of a firearm or other weapon as described in ORS
27 166.270 (2), the offender used, attempted to use or threatened to use a deadly weapon or dangerous
28 weapon, as those terms are defined in ORS 161.015, or the offender was in possession of a firearm
29 or other deadly weapon or dangerous weapon for the purpose of using the deadly weapon or dan-
30 gerous weapon;

31 (d) The offender was in possession of materials being used for the packaging of [*marijuana*]
32 **cannabis** items, such as scales, wrapping or foil, other than a material used to contain the
33 [*marijuana*] **cannabis** item that is the subject of the violation;

34 (e) The offender was in possession of [*marijuana*] **cannabis** item transaction records or customer
35 lists;

36 (f) The offender was in possession of stolen property;

37 (g) The offender was in possession of manufacturing paraphernalia specifically designed for
38 producing [*marijuana*] **cannabis**, such as recipes, precursor chemicals, laboratory equipment, light-
39 ing equipment, ventilating equipment or power generation equipment;

40 (h) The offender modified structures by painting, wiring, plumbing or lighting the structures to
41 facilitate the offense;

42 (i) The offender used public lands to manufacture the [*marijuana*] **cannabis** item; or

43 (j) The offender constructed fortifications or took security measures that had the potential to
44 injure persons.

45 (4) To prove that a violation is a commercial [*marijuana*] **cannabis** offense for purposes of sub-

1 section (3) of this section, the state must plead in the accusatory instrument at least three of the
 2 factors described in subsection (3) of this section. The state has the burden of proving each factor
 3 beyond a reasonable doubt.

4 (5) A violation of ORS 475C.337 (3)(d), 475C.341 (4), 475C.349 (3)(c)(B) or 475C.349 (3)(c)(C) shall
 5 be classified as a crime category 6 of the sentencing guidelines grid of the Oregon Criminal Justice
 6 Commission if the violation constitutes a [*marijuana*] **cannabis** offense involving reckless unlawful
 7 conduct. A violation of ORS 475C.337 (3)(d), 475C.341 (4), 475C.349 (3)(c)(B) or 475C.349 (3)(c)(C) is
 8 a [*marijuana*] **cannabis** offense involving reckless unlawful conduct if the person is aware of and
 9 consciously disregards a substantial and justifiable risk that the violation is accompanied by:

10 (a) Any of the following factors:

11 (A) Abusing or threatening to abuse the law or legal process;

12 (B) Destroying, concealing, removing, confiscating or possessing an actual or purported passport
 13 or immigration document, or other actual or purported government identification document, of an-
 14 other person;

15 (C) Threatening to report another person to a government agency for the purpose of the other
 16 person's arrest or deportation;

17 (D) Threatening to collect an unlawful debt;

18 (E) Instilling in another person a fear that the person will withhold from the other person the
 19 necessities of life, including but not limited to lodging, food and clothing; or

20 (F) Withholding wages earned without lawful justification;

21 (b) The issuance of a citation to a person under ORS 654.071 for a violation of any state occu-
 22 pational safety or health law, regulation, rule or order, including any safety and health standards
 23 for agricultural labor housing and related facilities under the Oregon Safe Employment Act; or

24 (c) Any of the following factors related to the environment:

25 (A) Discharging, placing or causing to be placed any wastes, as defined in ORS 468B.005, into
 26 the waters of this state or in a location where the wastes are likely to escape or be carried into the
 27 waters of this state;

28 (B) The unlawful use, storage, disposal, treatment or transport of hazardous waste, as defined
 29 in ORS 466.005;

30 (C) The unlawful possession, use or application of a pesticide, as defined in ORS 634.006; or

31 (D) The use of surface water or ground water in violation of ORS chapter 537.

32 (6) A violation of ORS 475C.337 (3)(d), 475C.341 (4), 475C.349 (3)(c)(B) or 475C.349 (3)(c)(C) shall
 33 be classified as a crime category 8 of the sentencing guidelines grid of the Oregon Criminal Justice
 34 Commission if the violation constitutes a [*marijuana*] **cannabis** offense involving knowing unlawful
 35 conduct. A violation of ORS 475C.337 (3)(d), 475C.341 (4), 475C.349 (3)(c)(B) or 475C.349 (3)(c)(C) is
 36 a [*marijuana*] **cannabis** offense involving knowing unlawful conduct if the person acts with knowl-
 37 edge, or with a conscious purpose to avoid knowledge, that the violation is accompanied by:

38 (a) Any of the following factors:

39 (A) Abusing or threatening to abuse the law or legal process;

40 (B) Destroying, concealing, removing, confiscating or possessing an actual or purported passport
 41 or immigration document, or other actual or purported government identification document, of an-
 42 other person;

43 (C) Threatening to report another person to a government agency for the purpose the other
 44 person's arrest or deportation;

45 (D) Threatening to collect an unlawful debt;

1 (E) Instilling in another person a fear that the person will withhold from the other person the
 2 necessities of life, including but not limited to lodging, food and clothing; or

3 (F) Withholding wages earned without lawful justification;

4 (b) The issuance of a citation to a person under ORS 654.071 for a violation of any state occu-
 5 pational safety or health law, regulation, rule or order, including any safety and health standards
 6 for agricultural labor housing and related facilities under the Oregon Safe Employment Act; or

7 (c) Any of the following factors related to the environment:

8 (A) Discharging, placing or causing to be placed any wastes, as defined in ORS 468B.005, into
 9 the waters of this state or in a location where the wastes are likely to escape or be carried into the
 10 waters of this state;

11 (B) The unlawful use, storage, disposal, treatment or transport of hazardous waste, as defined
 12 in ORS 466.005;

13 (C) The unlawful possession, use or application of a pesticide, as defined in ORS 634.006; or

14 (D) The use of surface water or ground water in violation of ORS chapter 537.

15 **SECTION 119.** ORS 475C.365 is amended to read:

16 475C.365. (1) As used in this section:

17 (a) “Crime of violence” has the meaning given that term in ORS 475.908.

18 (b)(A) “Ingest” means to consume or otherwise deliver a cannabinoid into the body of a person.

19 (B) “Ingest” does not include the inhalation of smoke, aerosols or vapors created by smoking,
 20 aerosolizing or vaporizing a [*marijuana*] **cannabis** item.

21 (2)(a) A person commits the offense of causing another person to ingest [*marijuana*] **cannabis**
 22 if the person knowingly or intentionally causes the other person to ingest a [*marijuana*] **cannabis**
 23 item without the consent of the other person.

24 (b) Causing another person to ingest [*marijuana*] **cannabis** is a Class B felony.

25 (c) A violation of this subsection shall be classified as a person felony and crime category 8 of
 26 the sentencing guidelines grid of the Oregon Criminal Justice Commission.

27 (3)(a) Notwithstanding subsection (2) of this section, causing another person to ingest
 28 [*marijuana*] **cannabis** is a Class A felony if the person, with the intent of committing or facilitating
 29 a crime of violence against the other person, knowingly or intentionally causes the other person to
 30 ingest a [*marijuana*] **cannabis** item without the consent of the other person.

31 (b) A violation of this subsection shall be classified as a person felony and crime category 9 of
 32 the sentencing guidelines grid of the Oregon Criminal Justice Commission.

33 **SECTION 120.** ORS 475C.369 is amended to read:

34 475C.369. (1) Except as authorized under ORS 475C.005 to 475C.525, 475C.540 to 475C.586,
 35 475C.600 to 475C.648 and 475C.770 to 475C.919 and rules adopted under ORS 475C.005 to 475C.525,
 36 475C.540 to 475C.586, 475C.600 to 475C.648 and 475C.770 to 475C.919, it is unlawful for a person to
 37 intentionally administer a [*marijuana*] **cannabis** item to the body of another person who is under
 38 18 years of age by inhalation, ingestion or any other means.

39 (2) Intentionally administering a [*marijuana*] **cannabis** item to the body of a person who is under
 40 18 years of age is a Class A felony.

41 (3) A violation of this section shall be classified as a person felony and crime category 9 of the
 42 sentencing guidelines grid of the Oregon Criminal Justice Commission.

43 (4) It is an affirmative defense to a charge of intentionally administering a [*marijuana*] **cannabis**
 44 item to the body of a person who is under 18 years of age if:

45 (a) The person administering the [*marijuana*] **cannabis** item was less than three years older than

1 the other person at the time of the administration, and the other person consented to the adminis-
2 tration; or

3 (b) The [*marijuana*] **cannabis** item was administered for a medical purpose with the consent of
4 the person under 18 years of age, and the person under 18 years of age was a registry identification
5 cardholder as defined in ORS 475C.777 at the time of the administration.

6 **SECTION 121.** ORS 475C.373 is amended to read:

7 475C.373. (1) As used in this section, [*"marijuana paraphernalia"*] "**cannabis paraphernalia**"
8 means an object that is marketed to be used for, or that is designed for, planting, propagating, cul-
9 tivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, pre-
10 paring, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting,
11 ingesting, inhaling or otherwise introducing into the human body a [*marijuana*] **cannabis** item.
12 [*"Marijuana paraphernalia"*] "**Cannabis paraphernalia**" does not include hypodermic syringes or
13 needles.

14 (2) It is unlawful for a person to sell or deliver, to possess with intent to sell or deliver or to
15 manufacture with intent to sell or deliver [*marijuana*] **cannabis** paraphernalia to a person who is
16 under 21 years of age, knowing that the [*marijuana*] **cannabis** paraphernalia will be used for the
17 purpose for which it was marketed or designed.

18 (3) Violation of this section is a Class B violation.

19 (4) Subject to the provisions of ORS chapter 131A, and notwithstanding the violation classifica-
20 tion specified in subsection (3) of this section, the Oregon Liquor and Cannabis Commission may
21 purchase, possess, seize or dispose of [*marijuana*] **cannabis** paraphernalia as is necessary for the
22 commission to ensure compliance with and enforce this section and any rule adopted under this
23 section.

24 (5) In determining whether an object is [*marijuana*] **cannabis** paraphernalia under this section
25 or drug paraphernalia under ORS 475.525, a trier of fact in an administrative or judicial proceeding
26 must consider, in addition to any other relevant factor, the following:

- 27 (a) Any oral or written instruction provided with the object related to the object's use;
- 28 (b) Any descriptive material packaged with the object that explains or depicts the object's use;
- 29 (c) Any national or local advertising related to the object's use;
- 30 (d) Any proffered expert testimony related to the object's use;
- 31 (e) The manner in which the object is displayed for sale, if applicable; and
- 32 (f) Any other proffered evidence substantiating the object's intended use.

33 **SECTION 122.** ORS 475C.377 is amended to read:

34 475C.377. (1) It is unlawful for any person to engage in the use of [*marijuana*] **cannabis** items
35 in a public place.

36 (2) A violation of subsection (1) of this section is a Class B violation.

37 **SECTION 123.** ORS 475C.379 is amended to read:

38 475C.379. (1) A person commits the crime of unlawful production of [*marijuana*] **cannabis** if the
39 person produces [*marijuana*] **cannabis** or industrial hemp:

40 (a) At a location that is not confirmed by the Oregon Health Authority, the Oregon Liquor and
41 Cannabis Commission or the State Department of Agriculture to be the location of an industrial
42 hemp operation registered or licensed under ORS 571.281, a premises for which a license was issued
43 under ORS 475C.085 or a [*marijuana*] **cannabis** grow site registered under ORS 475C.792; and

44 (b) In an amount that is not allowed by state law.

45 (2) Unlawful production of [*marijuana*] **cannabis** is a Class A misdemeanor.

1 (3) [*Marijuana*] **Cannabis** or industrial hemp that is unlawfully produced, as described in sub-
 2 section (1) of this section, is considered contraband and may be destroyed by a law enforcement
 3 agency.

4 **SECTION 124.** ORS 475C.389 is amended to read:

5 475C.389. (1) As used in this section, “cannabis-related overdose” means an acute condition, in-
 6 cluding mania, hysteria, extreme physical illness, coma or death, resulting from the consumption or
 7 use of cannabis, or another substance with which cannabis was combined, that a person would rea-
 8 sonably believe requires medical attention.

9 (2)(a) A person who contacts emergency medical services or a law enforcement agency to obtain
 10 medical assistance for another person because of a cannabis-related overdose is immune from arrest
 11 or prosecution for violating ORS 475C.337, 475C.341 or 475C.373 if the evidence of the offense was
 12 obtained because the person contacted emergency medical services or a law enforcement agency.

13 (b) A person who is in need of medical assistance because of a cannabis-related overdose is im-
 14 mune from arrest or prosecution for violating ORS 475C.337, 475C.341 or 475C.373 if the evidence
 15 of the offense was obtained because any person contacted emergency medical services or a law
 16 enforcement agency to obtain medical assistance for the person.

17 (3) A person may not be arrested for violating, or found to be in violation of, the conditions of
 18 the person’s pretrial release, probation, post-prison supervision or parole if the violation involves:

19 (a) The possession or use of a [*marijuana*] **cannabis** item or frequenting a place where
 20 [*marijuana*] **cannabis** items are used; and

21 (b)(A) The evidence of the violation was obtained because the person contacted emergency
 22 medical services or a law enforcement agency to obtain medical assistance for another person who
 23 needed medical assistance due to a cannabis-related overdose; or

24 (B) The evidence of the violation was obtained because the person was in need of medical as-
 25 sistance due to a cannabis-related overdose and any person contacted emergency medical services
 26 or a law enforcement agency to obtain medical assistance for the person.

27 (4)(a) A person may not be arrested on an outstanding warrant for violating ORS 475C.337,
 28 475C.341 or 475C.373, or on an outstanding warrant for a violation, other than commission of a new
 29 crime, of the conditions of the person’s probation, post-prison supervision or parole for conduct that
 30 would constitute a violation of ORS 475C.337, 475C.341 or 475C.373, if the person was located be-
 31 cause:

32 (A) The person contacted emergency medical services or a law enforcement agency to obtain
 33 medical assistance for another person who needed medical assistance due to a cannabis-related
 34 overdose; or

35 (B) The person was in need of medical assistance due to a cannabis-related overdose and any
 36 person contacted emergency medical services or a law enforcement agency to obtain medical as-
 37 sistance for the person.

38 (b) This subsection does not apply to outstanding federal warrants or outstanding warrants is-
 39 sued from other states.

40 (5) The immunity from arrest and prosecution described in this section is not grounds for the
 41 suppression of evidence relating to a criminal offense other than the offenses described in ORS
 42 475C.337, 475C.341 and 475C.373.

43 **SECTION 125.** ORS 475C.397 is amended to read:

44 475C.397. (1) Notwithstanding ORS 137.225, a person with a qualifying [*marijuana*] **cannabis**
 45 conviction may apply to the court in which the judgment of conviction was entered for entry of an

1 order setting aside the conviction as provided in this section.

2 (2)(a) The person may file a motion under this section at any time following entry of judgment
3 of conviction for a qualifying [*marijuana*] **cannabis** conviction.

4 (b) A person filing a motion under this section is not required to pay the filing fee established
5 under ORS 21.135 or any other fee, or file a set of fingerprints.

6 (c) No background check or identification by the Department of State Police is required to set
7 aside a conviction under this section.

8 (3)(a) At the time of filing the motion, the person shall serve a copy of the motion upon the of-
9 fice of the prosecuting attorney of the jurisdiction in which the judgment of conviction was entered.

10 (b) The prosecuting attorney, within 30 days after the filing of the motion under paragraph (a)
11 of this subsection, may file an objection to granting the motion only on the basis that the person's
12 conviction is not a qualifying [*marijuana*] **cannabis** conviction.

13 (c) If no objection from the prosecuting attorney is received by the court within 30 days after
14 the filing of the motion, the court shall grant the motion and enter an order as described in sub-
15 section (5) of this section.

16 (4) If the court receives an objection from the prosecuting attorney, the court shall hold a
17 hearing to determine whether the conviction sought to be set aside is a qualifying [*marijuana*]
18 **cannabis** conviction. The person has the burden of establishing, by a preponderance of the evidence,
19 that the conviction is a qualifying [*marijuana*] **cannabis** conviction. If the court determines that the
20 conviction is a qualifying [*marijuana*] **cannabis** conviction, the court shall grant the motion and
21 enter an order as provided in subsection (5) of this section.

22 (5) Upon granting a motion to set aside a qualifying [*marijuana*] **cannabis** conviction under this
23 section, the court shall enter an appropriate order. Upon the entry of the order, the person for
24 purposes of the law shall be deemed not to have been previously convicted and the court shall issue
25 an order sealing the record of conviction and other official records in the case, including the records
26 of arrest, citation or charge.

27 (6) The clerk of the court shall forward a certified copy of the order to such agencies as directed
28 by the court. A certified copy must be sent to the Department of Corrections when the person has
29 been in the custody of the Department of Corrections. Upon entry of the order, the conviction, ar-
30 rest, citation, charge or other proceeding shall be deemed not to have occurred, and the person may
31 answer accordingly any questions relating to its occurrence.

32 (7) As used in this section:

33 (a) "Prosecuting attorney" means a district attorney or a city attorney with a prosecutorial
34 function.

35 (b) "Qualifying [*marijuana*] **cannabis** conviction" means a conviction for a [*marijuana*] **cannabis**
36 offense:

37 (A) Based on conduct described in ORS 475C.305 or possession of less than one ounce of the
38 dried leaves, stems or flowers of [*marijuana*] **cannabis**;

39 (B) Committed prior to July 1, 2015; and

40 (C) For which the person has completed and fully complied with or performed the sentence of
41 the court.

42 **SECTION 126.** ORS 475C.409 is amended to read:

43 475C.409. If the owner of a building or premises knowingly has used the building or premises for,
44 or allowed the building or premises to be occupied for, the production, processing, sale or use of
45 [*marijuana*] **cannabis** items contrary to the provisions of ORS 475C.005 to 475C.525, 475C.540 to

1 475C.586, 475C.600 to 475C.648 or 475C.770 to 475C.919, or contrary to the provisions of any other
 2 state law or local ordinance regulating the production, processing, sale or use of [*marijuana*]
 3 **cannabis** items, the building or premises is subject to a lien for, and may be sold to pay all fines
 4 and costs, including but not limited to any costs of cleanup and removal of [*marijuana*] **cannabis**,
 5 assessed against the occupants of the building or premises for, any violation of ORS 475C.005 to
 6 475C.525, 475C.540 to 475C.586, 475C.600 to 475C.648 or 475C.770 to 475C.919, or any other state law
 7 or local ordinance regulating the production, processing, sale or use of [*marijuana*] **cannabis** items.
 8 The lien may be enforced immediately by civil action in a court that has jurisdiction over the area
 9 in which the building or premises is located, by the district attorney of the county in which the
 10 building or premises is located.

11 **SECTION 127.** ORS 475C.417 is amended to read:

12 475C.417. (1) When a law enforcement officer arrests a person for violating ORS 475C.005 to
 13 475C.525, the law enforcement officer may take into possession all [*marijuana*] **cannabis** items and
 14 other property that the arrested person has in possession, or that is on the premises, that apparently
 15 is being used in violation of ORS 475C.005 to 475C.525.

16 (2) If a person arrested as described in this section is convicted, and the court finds that the
 17 [*marijuana*] **cannabis** items and other property have been used in violation of ORS 475C.005 to
 18 475C.525:

19 (a) The [*marijuana*] **cannabis** items must be forfeited to an appropriate state or local law
 20 enforcement agency and must be delivered by the court or law enforcement officer, at the direction
 21 of the court, to the law enforcement agency; and

22 (b) Subject to any other applicable law, the other property must be forfeited to the Oregon Li-
 23 quor and Cannabis Commission, and must be delivered by the court or law enforcement officer, at
 24 the direction of the court, to the commission.

25 (3) The commission is authorized to destroy or otherwise dispose of any property the commission
 26 receives under subsection (2)(b) of this section, provided that if the commission elects to sell the
 27 property, including furniture, furnishings, and equipment and facilities for the storing, serving or
 28 using of [*marijuana*] **cannabis** items, the clear proceeds of the sale must be credited to the State
 29 Treasury and deposited in the Common School Fund.

30 **SECTION 128.** ORS 475C.421 is amended to read:

31 475C.421. The county courts, district attorneys and municipal authorities, immediately upon the
 32 conviction of a licensee of a violation of ORS 475C.005 to 475C.525, or of a violation of any other
 33 law of this state or ordinance of a city or county located in this state an element of which is the
 34 possession, delivery or manufacture of a [*marijuana*] **cannabis** item, shall notify the Oregon Liquor
 35 and Cannabis Commission of the conviction.

36 **SECTION 129.** ORS 475C.441 is amended to read:

37 475C.441. (1) As used in this section, "**cannabis**," "designated primary caregiver," "immature
 38 [*marijuana*] **cannabis** plant," [*marijuana*,"] "medical cannabinoid product" and "registry identifica-
 39 tion cardholder" have the meanings given those terms in ORS 475C.777.

40 (2) A city or county may not adopt an ordinance, by referral or otherwise, that prohibits or
 41 otherwise limits:

42 (a) The privileges described in ORS 475C.305; or

43 (b) The right of a registry identification cardholder and the designated primary caregiver of a
 44 registry identification cardholder to:

45 (A) Possess the seeds of [*marijuana*] **cannabis**, immature [*marijuana*] **cannabis** plants or medical

1 cannabinoid products as described in ORS 475C.770 to 475C.919;

2 (B) Jointly possess up to six mature [*marijuana*] **cannabis** plants and up to 12 immature
3 [*marijuana*] **cannabis** plants under ORS 475C.806 (1); or

4 (C) Jointly possess up to 24 ounces of usable [*marijuana*] **cannabis** under ORS 475C.809 (1).

5 **SECTION 130.** ORS 475C.445 is amended to read:

6 475C.445. ORS 475C.433 does not prevent any person residing in the county or city from having,
7 for personal use, a [*marijuana*] **cannabis** item purchased from a [*marijuana*] **cannabis** retailer li-
8 censed under ORS 475C.097.

9 **SECTION 131.** ORS 475C.449 is amended to read:

10 475C.449. (1) For purposes of this section, “reasonable regulations” includes:

11 (a) Reasonable conditions on the manner in which a [*marijuana*] **cannabis** producer that holds
12 a license issued under ORS 475C.065 may produce [*marijuana*] **cannabis** or in which a researcher
13 of cannabis that holds a certificate issued under ORS 475C.289 may produce [*marijuana*] **cannabis**
14 or propagate immature [*marijuana*] **cannabis** plants;

15 (b) Reasonable conditions on the manner in which a [*marijuana*] **cannabis** processor that holds
16 a license issued under ORS 475C.085 may process [*marijuana*] **cannabis** or in which a researcher
17 of cannabis that holds a certificate issued under ORS 475C.289 may process [*marijuana*] **cannabis**;

18 (c) Reasonable conditions on the manner in which a [*marijuana*] **cannabis** wholesaler that holds
19 a license issued under ORS 475C.093 may sell [*marijuana*] **cannabis** at wholesale;

20 (d) Reasonable conditions on the manner in which a [*marijuana*] **cannabis** retailer that holds a
21 license issued under ORS 475C.097 may sell [*marijuana*] **cannabis** items;

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

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

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

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

33 (a) Adopt an ordinance that prohibits a premises for which a license has been issued under ORS
34 475C.097 from being located within a distance that is greater than 1,000 feet of another premises for
35 which a license has been issued under ORS 475C.097.

36 (b) Adopt an ordinance that imposes a setback requirement for an agricultural building used to
37 produce [*marijuana*] **cannabis** located on a premises for which a license has been issued under ORS
38 475C.065 if the agricultural building:

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

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

43 (C) Was used to produce [*marijuana*] **cannabis** pursuant to the provisions of ORS 475C.770 to
44 475C.919 on or before January 1, 2015; and

45 (D) Has four opaque walls and a roof.

1 **SECTION 132.** ORS 475C.453 is amended to read:

2 475C.453. (1)(a) Except as expressly authorized by this section, the authority to impose a tax or
3 fee on the production, processing or sale of [*marijuana*] **cannabis** items in this state is vested solely
4 in the Legislative Assembly.

5 (b) Except as expressly authorized by this section, a county, city or other municipal corporation
6 or district may not adopt or enact ordinances imposing a tax or fee on the production, processing
7 or sale of [*marijuana*] **cannabis** items in this state.

8 (2) Subject to subsection (4) of this section, the governing body of a city or county may adopt
9 an ordinance to be referred to the electors of the city or county as described in subsection (3) of
10 this section that imposes a tax or a fee on the sale of [*marijuana*] **cannabis** items that are sold in
11 the area subject to the jurisdiction of the city or the unincorporated area subject to the jurisdiction
12 of a county by a [*marijuana*] **cannabis** retailer that holds a license issued under ORS 475C.097.

13 (3) If the governing body of a city or county adopts an ordinance under this section, the gov-
14 erning body shall refer the measure of the ordinance to the electors of the city or county for ap-
15 proval at the next statewide general election.

16 (4) An ordinance adopted under this section may not impose a tax or fee:

17 (a) In excess of three percent; or

18 (b) On a registry identification cardholder or on a designated primary caregiver who is pur-
19 chasing a [*marijuana*] **cannabis** item for a registry identification cardholder.

20 **SECTION 133.** ORS 475C.457 is amended to read:

21 475C.457. (1) The governing body of a city or county may repeal an ordinance that prohibits the
22 establishment of any one or more of the following in the area subject to the jurisdiction of the city
23 or in the unincorporated area subject to the jurisdiction of the county:

24 (a) [*Marijuana*] **Cannabis** processing sites registered under ORS 475C.815;

25 (b) Medical [*marijuana*] **cannabis** dispensaries registered under ORS 475C.833;

26 (c) [*Marijuana*] **Cannabis** producers that hold a license issued under ORS 475C.065;

27 (d) [*Marijuana*] **Cannabis** processors that hold a license issued under ORS 475C.085;

28 (e) [*Marijuana*] **Cannabis** wholesalers that hold a license issued under ORS 475C.093;

29 (f) [*Marijuana*] **Cannabis** retailers that hold a license issued under ORS 475C.097;

30 (g) [*Marijuana*] **Cannabis** producers that hold a license issued under ORS 475C.065 and that the
31 Oregon Liquor and Cannabis Commission has designated as an exclusively medical licensee under
32 ORS 475C.121;

33 (h) [*Marijuana*] **Cannabis** processors that hold a license issued under ORS 475C.085 and that the
34 commission has designated as an exclusively medical licensee under ORS 475C.125;

35 (i) [*Marijuana*] **Cannabis** wholesalers that hold a license issued under ORS 475C.093 and that
36 the commission has designated as an exclusively medical licensee under ORS 475C.129;

37 (j) [*Marijuana*] **Cannabis** retailers that hold a license issued under ORS 475C.097 and that the
38 commission has designated as an exclusively medical licensee under ORS 475C.133; or

39 (k) Any combination of the entities described in this subsection.

40 (2) If the governing body of a city or county repeals an ordinance under this section, the gov-
41 erning body must provide the text of the ordinance:

42 (a) To the Oregon Health Authority, in a form and manner prescribed by the authority, if the
43 ordinance concerns a medical [*marijuana*] **cannabis** dispensary registered under ORS 475C.833 or a
44 [*marijuana*] **cannabis** processing site registered under ORS 475C.815; or

45 (b)(A) To the commission, in a form and manner prescribed by the commission, if the ordinance

1 concerns a premises for which a license has been issued under ORS 475C.005 to 475C.525; and

2 (B) To the Oregon Department of Administrative Services, in a form and manner prescribed by
3 the department, within 30 days of enactment of the repeal of the ordinance, if the ordinance con-
4 cerns a premises for which issuance of a license is required under ORS 475C.065, 475C.085, 475C.093
5 or 475C.097.

6 **SECTION 134.** ORS 475C.459 is amended to read:

7 475C.459. (1) As used in this section:

8 (a) “Cleanup” means the removal, disposal and remediation, by an owner or an agent of an
9 owner, of waste from a site in conformance with applicable law.

10 (b) “Cleanup costs” means reasonable costs that are associated with or attributable to cleanup.

11 (c) “Law enforcement agency” has the meaning given that term in ORS 181A.010.

12 (d)(A) “Owner” means a person who owns the real property where a site is located.

13 (B) “Owner” does not include a person who, without participating in the management of the site,
14 holds indicia of ownership primarily to protect a security interest in the real property.

15 (e) “Site” means the location where the unlawful manufacture of a [*marijuana*] **cannabis** item,
16 as described in ORS 475C.349, or the unlawful production of [*marijuana*] **cannabis**, as described in
17 ORS 475C.379, occurred or is alleged to have occurred.

18 (f) “Waste” means:

19 (A) [*Marijuana*] **Cannabis** flowers, [*marijuana*] **cannabis** leaves, [*marijuana*] **cannabis** plants
20 and any parts of [*marijuana*] **cannabis** plants;

21 (B) Any items or materials used for an irrigation system if used to facilitate the unlawful man-
22 ufacture of [*marijuana*] **cannabis** items or unlawful production of [*marijuana*] **cannabis**, unless:

23 (i) The site where the items or materials are located was leased to a third party that was re-
24 sponsible for the unlawful manufacture of [*marijuana*] **cannabis** items or unlawful production of
25 [*marijuana*] **cannabis**;

26 (ii) The items or materials are the property of the owner; and

27 (iii) The owner elects to retain ownership and properly store the items or materials;

28 (C) Greenhouses, hoop houses and other structures used to facilitate the unlawful manufacture
29 of [*marijuana*] **cannabis** items or unlawful production of [*marijuana*] **cannabis**, unless:

30 (i) The site where the greenhouses, hoop houses or other structures are located was leased to
31 a third party that was responsible for the unlawful manufacture of [*marijuana*] **cannabis** items or
32 unlawful production of [*marijuana*] **cannabis**;

33 (ii) The greenhouses, hoop houses or other structures are the property of the owner and are
34 agricultural buildings, as defined in ORS 455.315, that are allowed on the real property; and

35 (iii) The owner elects to retain ownership and properly care for the greenhouses, hoop houses
36 or other structures; and

37 (D) Any material or substance designated as chemical by the Environmental Quality Commission
38 under ORS 475.425 used to facilitate the unlawful manufacture of [*marijuana*] **cannabis** items or
39 unlawful production of [*marijuana*] **cannabis**, unless:

40 (i) The site where the material or substance is located was leased to a third party that was re-
41 sponsible for the unlawful manufacture of [*marijuana*] **cannabis** items or unlawful production of
42 [*marijuana*] **cannabis**;

43 (ii) The material or substance is the property of the owner; and

44 (iii) The owner elects to retain ownership and properly store the material or substance.

45 (2) Upon receiving written notification from a law enforcement agency that a site contains

1 waste, the owner shall promptly undertake any cleanup of the site. The owner may contract with
2 a third party for all or part of the cleanup.

3 (3) It is a public nuisance, which may be abated pursuant to subsection (4) of this section, if the
4 owner of a site described in subsection (2) of this section fails to complete cleanup of the site within
5 30 days of the date on which the owner receives the notification described in subsection (2) of this
6 section.

7 (4) In order to abate a public nuisance described in subsection (3) of this section, the city or
8 county that has jurisdiction over the real property where a site described in subsection (2) of this
9 section is located may maintain civil proceedings in courts of this state against the owner described
10 in subsection (3) of this section to:

11 (a) Enforce the requirements of subsection (2) of this section;

12 (b) Authorize the city or county to conduct cleanup and subject the real property where the site
13 is located to a lien for cleanup costs; and

14 (c) Enjoin any further violation of ORS 475C.349 or 475C.379.

15 (5) A court may allow the prevailing party reasonable attorney fees and expenses in a proceed-
16 ing described in subsection (4) of this section.

17 (6)(a) The remedies described in subsection (4) of this section are in addition to any other rem-
18 edies available to the governing body of a city or county that has jurisdiction over the real property
19 where a site is located.

20 (b) Nothing in this section requires the governing body of a city or county to avail itself of a
21 remedy allowed by this section or by any other law.

22 (7)(a) The governing body of a city or county described in subsection (4) of this section may, at
23 its discretion, file a claim of lien on real property where a site described in subsection (2) of this
24 section is located. The governing body of the city or county shall file written notice of claim of lien
25 with the recording officer of each county in which the real property where a site described in sub-
26 section (2) of this section is located. All cleanup costs incurred by the city or county under sub-
27 section (4)(b) of this section shall constitute the lien. The lien must contain the name of the owner
28 of the real property to which the lien is attached and a description of the real property sufficient
29 to accurately identify the real property. The lien shall attach and become enforceable on the day
30 of the filing described in this subsection.

31 (b) A lien described in this subsection shall be foreclosed in the manner provided in ORS chapter
32 88.

33 (c) A lien described in this subsection shall have priority over any claim of the state under ORS
34 166.715 to 166.735 or any local government forfeiture ordinance or regulation.

35 (8) Nothing in this section shall affect the right of the governing body of a city or county to
36 bring an action against any person to recover all costs and damages for which the person is liable
37 under this section.

38 **SECTION 135.** ORS 475C.469 is amended to read:

39 475C.469. The State Department of Agriculture may possess, test and dispose of [*marijuana*]
40 **cannabis** items.

41 **SECTION 136.** ORS 475C.473 is amended to read:

42 475C.473. (1) The Oregon Liquor and Cannabis Commission, the State Department of Agriculture
43 and the Oregon Health Authority may not refuse to perform any duty under ORS 475C.005 to
44 475C.525 or 475C.540 to 475C.586 on the basis that manufacturing, distributing, dispensing, possess-
45 ing or using [*marijuana*] **cannabis** is prohibited by federal law.

1 (2) The commission may not revoke or refuse to issue or renew a license, certificate or permit
 2 under ORS 475C.005 to 475C.525 or 475C.548 on the basis that manufacturing, distributing, dispensing,
 3 ing, possessing or using [*marijuana*] **cannabis** is prohibited by federal law.

4 **SECTION 137.** ORS 475C.477 is amended to read:

5 475C.477. A person may not sue the Oregon Liquor and Cannabis Commission or a member of
 6 the commission, the State Department of Agriculture or the Oregon Health Authority, or any em-
 7 ployee of the commission, department or authority, for performing or omitting to perform any duty,
 8 function or power of the commission, department or authority set forth in ORS 475C.005 to 475C.525
 9 or 475C.540 to 475C.586 or in any other law of this state requiring the commission, department or
 10 authority to perform a duty, function or power related to [*marijuana*] **cannabis** items.

11 **SECTION 138.** ORS 475C.481 is amended to read:

12 475C.481. Subject to any applicable provision of ORS chapter 131A or 183, any state officer,
 13 board, commission, corporation, institution, department or other state body, and any local officer,
 14 board, commission, institution, department or other local government body, that is authorized by the
 15 statutory laws of this state to perform a duty, function or power with respect to a [*marijuana*]
 16 **cannabis** item, may purchase, possess, seize or dispose of the [*marijuana*] **cannabis** item as the state
 17 officer, board, commission, corporation, institution, department or other state body, or the local of-
 18 ficer, board, commission, institution, department or other local government body, considers neces-
 19 sary to ensure compliance with and enforce the applicable statutory law or any rule adopted under
 20 the applicable statutory law.

21 **SECTION 139.** Section 2, chapter 464, Oregon Laws 2019, is amended to read:

22 **Sec. 2.** (1) The Governor may enter into an agreement with another state for the purposes of:

23 (a) Cross-jurisdictional coordination and enforcement of [*marijuana-related*] **cannabis-related**
 24 businesses authorized to conduct business in either this state or the other state; and

25 (b) Cross-jurisdictional delivery of [*marijuana*] **cannabis** items between this state and the other
 26 state.

27 (2) An agreement entered into under this section:

28 (a) Must ensure enforceable public health and safety standards, and include a system to regulate
 29 and track the interstate delivery of [*marijuana*] **cannabis** items;

30 (b) Must ensure that any [*marijuana*] **cannabis** items delivered into this state, prior to sale to
 31 a consumer, are:

32 (A) Tested in accordance with ORS 475B.550 to 475B.590 [renumbered 475C.540 to 475C.586] and
 33 any rules adopted pursuant to ORS 475B.550 to 475B.590 [renumbered 475C.540 to 475C.586]; and

34 (B) Packaged and labeled in accordance with ORS 475B.600 to 475B.655 [renumbered 475C.600
 35 to 475C.648] and any rules adopted pursuant to ORS 475B.600 to 475B.655 [renumbered 475C.600 to
 36 475C.648]; and

37 (c) May authorize one or more agencies of this state to provide policy recommendations and
 38 assist in the implementation and enforcement of the terms of the agreement.

39 (3) Notwithstanding ORS 475B.227 [renumbered 475C.229] and in accordance with an agreement
 40 described in this section:

41 (a) A [*marijuana*] **cannabis** producer, [*marijuana*] **cannabis** processor, [*marijuana*] **cannabis**
 42 wholesaler or [*marijuana*] **cannabis** researcher certified under ORS 475B.286 [renumbered 475C.289]
 43 may deliver [*marijuana*] **cannabis** items to a person located in, and authorized to receive
 44 [*marijuana*] **cannabis** items by, the other state.

45 (b) A [*marijuana*] **cannabis** processor, [*marijuana*] **cannabis** wholesaler, [*marijuana*] **cannabis**

1 retailer or [*marijuana*] **cannabis** researcher certified under ORS 475B.286 [renumbered 475C.289]
 2 may receive [*marijuana*] **cannabis** items from a person located in, and authorized to export
 3 [*marijuana*] **cannabis** items by, the other state.

4 **SECTION 140.** Section 3, chapter 464, Oregon Laws 2019, is amended to read:

5 **Sec. 3.** (1) Section 2, chapter 464, Oregon Laws 2019, becomes operative on the earlier of the
 6 date on which:

7 (a) Federal law is amended to allow for the interstate transfer of [*marijuana*] **cannabis** items
 8 between authorized [*marijuana-related*] **cannabis-related** businesses; or

9 (b) The United States Department of Justice issues an opinion or memorandum allowing or tol-
 10 erating the interstate transfer of [*marijuana*] **cannabis** items between authorized
 11 [*marijuana-related*] **cannabis-related** businesses.

12 (2) The Oregon Liquor and Cannabis Commission shall notify the interim committees of the
 13 Legislative Assembly related to the judiciary and the Legislative Counsel upon the occurrence of
 14 an event described in subsection (1) of this section.

15 **SECTION 141.** ORS 475C.489 is amended to read:

16 475C.489. (1) [*Marijuana*] **Cannabis** is:

17 (a) A crop for the purposes of “farm use” as defined in ORS 215.203;

18 (b) A crop for purposes of a “farm” and “farming practice,” both as defined in ORS 30.930;

19 (c) A product of farm use as described in ORS 308A.062; and

20 (d) The product of an agricultural activity for purposes of ORS 568.909.

21 (2) Notwithstanding ORS chapters 195, 196, 197, 197A, 215 and 227, the following are not per-
 22 mitted uses on land designated for exclusive farm use:

23 (a) A new dwelling used in conjunction with a [*marijuana*] **cannabis** crop;

24 (b) A farm stand, as described in ORS 215.213 (1)(r) or 215.283 (1)(o), used in conjunction with
 25 a [*marijuana*] **cannabis** crop; and

26 (c) A commercial activity, as described in ORS 215.213 (2)(c) or 215.283 (2)(a), carried on in
 27 conjunction with a [*marijuana*] **cannabis** crop.

28 (3) A county may allow the production of [*marijuana*] **cannabis** as a farm use on land zoned for
 29 farm or forest use in the same manner as the production of [*marijuana*] **cannabis** is allowed in ex-
 30 clusive farm use zones under this section and ORS 215.213, 215.283 and 475C.053.

31 (4) This section applies to:

32 (a) [*Marijuana*] **Cannabis** producers that hold a license issued under ORS 475C.065;

33 (b) Persons registered under ORS 475C.792 and designated to produce [*marijuana*] **cannabis** by
 34 one or more persons who hold valid registry identification cards issued under ORS 475C.783; and

35 (c) For the purpose of producing [*marijuana*] **cannabis** or propagating immature [*marijuana*]
 36 **cannabis** plants, researchers of cannabis that hold a certificate issued under ORS 475C.289.

37 **SECTION 142.** ORS 475C.493 is amended to read:

38 475C.493. (1) Notwithstanding the authority granted to the State Department of Agriculture un-
 39 der ORS chapters 571, 618 and 633 and ORS 632.275 to 632.290, 632.450 to 632.490, 632.516 to 632.625,
 40 632.705 to 632.815, 632.835 to 632.849 and 632.900 to 632.985, the department may not exercise au-
 41 thority over [*marijuana*] **cannabis** items or a licensee, except that ORS 618.121 to 618.161, 618.991,
 42 618.995, 633.311 to 633.479, 633.992 and 633.994 apply to [*marijuana*] **cannabis** items or to a licensee.

43 (2) In exercising its authority under ORS chapter 616, the department may not:

44 (a) Establish standards for [*marijuana*] **cannabis** as a food additive, as defined in ORS 616.205;

45 (b) Consider [*marijuana*] **cannabis** to be an adulterant, unless the concentration of a

1 cannabinoid in a cannabinoid product, cannabinoid concentrate or cannabinoid extract exceeds ac-
 2 ceptable levels established by the Oregon Health Authority by rule; or

3 (c) Apply ORS 616.256, 616.265, 616.270 or 616.275 to cannabinoid edibles or enforce ORS 616.256,
 4 616.265, 616.270 or 616.275 with respect to cannabinoid edibles.

5 (3) Subsection (2)(b) of this section does not prohibit the department from considering artificially
 6 derived cannabinoids to be adulterants.

7 **SECTION 143.** ORS 475C.497 is amended to read:

8 475C.497. Except for ORS 475C.489 and 475C.493, ORS 475C.005 to 475C.525:

9 (1) Do not apply to the extent a person acts within the scope of and in compliance with the
 10 Oregon Medical [*Marijuana*] **Cannabis** Act; and

11 (2) Do not amend or affect duties, functions and powers of the Oregon Health Authority under
 12 the Oregon Medical [*Marijuana*] **Cannabis** Act.

13 **SECTION 144.** ORS 475C.501 is amended to read:

14 475C.501. Any room, house, building, boat, structure or place of any kind where [*marijuana*]
 15 **cannabis** items are sold, manufactured, bartered or given away in violation of the laws of this state,
 16 or where persons are permitted to resort for the purpose of using [*marijuana*] **cannabis** items in
 17 violation of the laws of this state, or any place where [*marijuana*] **cannabis** items are kept for sale,
 18 barter or gift in violation of the laws of this state, and all [*marijuana*] **cannabis** items or property
 19 subject to confiscation under ORS 475C.417 kept and used in such a place, are a common nuisance.
 20 A person who maintains or assists in maintaining the common nuisance or knowingly suffers or
 21 permits the nuisance to exist in any place of which the person is the owner, manager or lessor, is
 22 guilty of a violation of ORS 475C.005 to 475C.525.

23 **SECTION 145.** ORS 475C.505 is amended to read:

24 475C.505. A contract is not unenforceable on the basis that manufacturing, distributing, dis-
 25 pensing, possessing or using [*marijuana*] **cannabis** is prohibited by federal law.

26 **SECTION 146.** ORS 475C.513 is amended to read:

27 475C.513. (1) Notwithstanding ORS 475C.205 or any other provision prohibiting the transporta-
 28 tion of [*marijuana*] **cannabis** items to or from a location for which a license has not been issued
 29 under ORS 475C.005 to 475C.525 or prohibiting the possession of [*marijuana*] **cannabis** items at a
 30 location for which a license has not been issued under ORS 475C.005 to 475C.525, a licensee may
 31 transport [*marijuana*] **cannabis** items to and exhibit [*marijuana*] **cannabis** items at a trade show,
 32 the Oregon State Fair or a similar event if:

33 (a) The [*marijuana*] **cannabis** items are tracked using the system developed and maintained un-
 34 der ORS 475C.177;

35 (b) All of the [*marijuana*] **cannabis** items are returned to a premises for which a license has
 36 been issued under ORS 475C.005 to 475C.525 immediately after the conclusion of the event; and

37 (c) The licensee complies with any other requirement imposed by the Oregon Liquor and
 38 Cannabis Commission by rule or order for the purpose of ensuring the security of the [*marijuana*]
 39 **cannabis** items, for the purpose of preventing minors from having access to the [*marijuana*]
 40 **cannabis** items or for any other purpose deemed relevant by the commission.

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

42 **SECTION 147.** ORS 475C.521 is amended to read:

43 475C.521. (1) The Governor, or the Governor's designee, may enter into an agreement with the
 44 governing body of a federally recognized Indian tribe located in this state for the purpose of cross-
 45 jurisdictional coordination and enforcement of [*marijuana-related*] **cannabis-related** businesses li-

1 censed to conduct business on tribal trust land by the governing body of the federally recognized
2 Indian tribe.

3 (2) An agreement entered into under this section:

4 (a) May provide for the cross-jurisdictional coordination and enforcement of [*marijuana*]
5 **cannabis** producers, [*marijuana*] **cannabis** processors, [*marijuana*] **cannabis** wholesalers,
6 [*marijuana*] **cannabis** retailers and [*marijuana*] **cannabis** testing laboratories licensed by the gov-
7 erning body of the federally recognized Indian tribe.

8 (b) May require the governing body of the federally recognized Indian tribe to establish the same
9 or similar requirements on [*marijuana*] **cannabis** producers, [*marijuana*] **cannabis** processors,
10 [*marijuana*] **cannabis** wholesalers, [*marijuana*] **cannabis** retailers and [*marijuana*] **cannabis** testing
11 laboratories that are consistent with the policies set forth in:

12 (A) ORS 475C.005 to 475C.525;

13 (B) ORS 475C.540 to 475C.586; and

14 (C) ORS 475C.600 to 475C.648.

15 (c) Must ensure enforceable public health and safety standards and include a system to regulate
16 and track the purchase, sale, production, processing, transportation and delivery of [*marijuana*]
17 **cannabis** items for [*marijuana*] **cannabis** producers, [*marijuana*] **cannabis** processors, [*marijuana*]
18 **cannabis** wholesalers, [*marijuana*] **cannabis** retailers and [*marijuana*] **cannabis** testing laboratories
19 that are licensed by the governing body of the federally recognized Indian tribe.

20 (d) May authorize an agency of this state to assist in the implementation and enforcement of the
21 terms of the agreement.

22 **SECTION 148.** ORS 475C.523 is amended to read:

23 475C.523. (1) The State Department of Agriculture, in consultation with the Oregon Health Au-
24 thority and the Oregon Liquor and Cannabis Commission, shall establish a cannabis reference lab-
25 oratory to provide regulatory and technical support in the enforcement of ORS 475C.005 to 475C.525,
26 475C.540 to 475C.586, 475C.600 to 475C.648, 475C.770 to 475C.919 and 571.260 to 571.348.

27 (2)(a) The cannabis reference laboratory established under subsection (1) of this section must
28 be able to verify current analytical methods, and develop new analytical methods, for testing
29 [*marijuana*] **cannabis** items, industrial hemp and industrial hemp commodities or products as de-
30 scribed in ORS 475C.544, 571.281, 571.330 or 571.333 and confirm test results from laboratories li-
31 censed under ORS 475C.548 or accredited under ORS 475C.560 at the request of the authority,
32 commission or department.

33 (b) At the request of the authority, commission or department, the cannabis reference laboratory
34 must be able to provide ongoing laboratory quality control samples to laboratories licensed under
35 ORS 475C.548 or accredited under ORS 475C.560.

36 (c) The cannabis reference laboratory is not required to be licensed under ORS 475C.548 or ac-
37 credited under ORS 475C.560.

38 (3) The authority, commission and department may independently require a [*marijuana*]
39 **cannabis** item, industrial hemp or an industrial hemp commodity or product to be tested by the
40 cannabis reference laboratory if the authority, commission or department has reason to believe that
41 the [*marijuana*] **cannabis** item, industrial hemp or industrial hemp commodity or product is not in
42 compliance with ORS 475C.544, 571.281, 571.330 or 571.333, regardless of whether the [*marijuana*]
43 **cannabis** item, industrial hemp or industrial hemp commodity or product has undergone testing de-
44 scribed in ORS 475C.544, 571.281, 571.330 or 571.333 at a laboratory licensed under ORS 475C.548
45 or accredited under ORS 475C.560.

1 (4) If a test conducted by the cannabis reference laboratory of a [*marijuana*] **cannabis** item, in-
 2 dustrial hemp or industrial hemp commodity or product yields results different than the results of
 3 a test conducted by a laboratory licensed under ORS 475C.548 on the [*marijuana*] **cannabis** item,
 4 industrial hemp or industrial hemp commodity or product, the authority, commission or department
 5 may invalidate the results of the test conducted at the laboratory licensed under ORS 475C.548.

6 (5) A law enforcement agency may request that the cannabis reference laboratory conduct
 7 testing to assist the law enforcement agency in investigations related to cannabis.

8 (6) The department may charge a fee to the authority, the commission or a law enforcement
 9 agency in an amount reasonable to reimburse the department for the costs incurred in conducting
 10 testing at the cannabis reference laboratory at the request of the authority, commission or law
 11 enforcement agency.

12 (7) The authority, the commission and the department, in consultation with one another, may
 13 adopt rules to carry out this section.

14 **SECTION 149.** ORS 475C.529 is amended to read:

15 475C.529. (1) As used in this section, [*marijuana*] **“cannabis”** and [*marijuana item*]
 16 **“cannabis item”** have the meanings given those terms in ORS 475C.009.

17 (2) On or before February 1 of each odd-numbered year, the Oregon Liquor and Cannabis Com-
 18 mission shall report to the Legislative Assembly in the manner required by ORS 192.245, the ap-
 19 proximate amount of [*marijuana*] **cannabis** produced by [*marijuana*] **cannabis** producers that hold
 20 a license issued under ORS 475C.065 and the approximate amount of [*marijuana*] **cannabis** items
 21 sold by [*marijuana*] **cannabis** retailers that hold a license issued under ORS 475C.097, and whether
 22 the supply of [*marijuana*] **cannabis** in this state is commensurate with the demand for [*marijuana*]
 23 **cannabis** items in this state.

24 **SECTION 150.** ORS 475C.531 is amended to read:

25 475C.531. (1) The Illegal [*Marijuana*] **Cannabis** Market Enforcement Grant Program is estab-
 26 lished to assist cities and counties with the costs incurred by local law enforcement agencies and
 27 community-based organizations in addressing unlawful [*marijuana*] **cannabis** cultivation or distrib-
 28 ution operations.

29 (2) The Oregon Criminal Justice Commission shall administer the grant program described in
 30 subsection (1) of this section and shall award the grants described in this section.

31 (3) The commission shall adopt rules to administer the grant program. Rules adopted under this
 32 section must include:

33 (a) A methodology for reviewing and approving grant applications and awarding grants; and

34 (b) A process for evaluating the efficacy of local law enforcement programs and services funded
 35 by the grant program.

36 (4) Moneys distributed to grant recipients under this section must be spent on costs associated
 37 with addressing and prosecuting unlawful [*marijuana*] **cannabis** cultivation or distribution oper-
 38 ations.

39 (5) The commission shall prioritize the following when awarding grants under this section:

40 (a) Providing financial assistance to local law enforcement agencies and district attorneys in
 41 rural areas of this state to address unlawful [*marijuana*] **cannabis** cultivation or distribution oper-
 42 ations;

43 (b) Supporting local law enforcement agencies and district attorneys in investigating and pros-
 44 ecuting large-scale unlawful [*marijuana*] **cannabis** cultivation or distribution operations;

45 (c) Providing financial assistance to local law enforcement agencies and district attorneys in the

1 investigation and prosecution of organized crime involved in unlawful [*marijuana*] **cannabis** culti-
2 vation or distribution operations;

3 (d) Providing financial assistance to local law enforcement agencies and district attorneys in the
4 investigation and prosecution of unlawful [*marijuana*] **cannabis** cultivation or distribution oper-
5 ations that divert [*marijuana*] **cannabis** outside of this state; and

6 (e) Providing financial assistance to local law enforcement agencies and community-based or-
7 ganizations in order to address the ongoing humanitarian crisis associated with unlawful
8 [*marijuana*] **cannabis** cultivation or distribution operations and to facilitate connections to any
9 necessary assistance and services for individuals impacted by the humanitarian crisis, including but
10 not limited to language translation services and housing and legal assistance.

11 **SECTION 151.** ORS 475C.533 is amended to read:

12 475C.533. (1) Not later than January 1 of each year, the Oregon Criminal Justice Commission
13 shall submit a report in the manner provided in ORS 192.245 on the status and effectiveness of the
14 Illegal [*Marijuana*] **Cannabis** Market Enforcement Grant Program established under ORS 475C.531
15 to the interim committees of the Legislative Assembly related to the judiciary.

16 (2) Not later than January 1 of each year, the commission shall submit a report in the manner
17 provided in ORS 192.245 on recommendations for changes to the funding of the Illegal [*Marijuana*]
18 **Cannabis** Market Enforcement Grant Program to the interim committees of the Legislative Assem-
19 bly related to the judiciary. In making the recommendations described in this subsection, the com-
20 mission shall consider the best available information and projections regarding unlawful
21 [*marijuana*] **cannabis** cultivation and distribution operations in this state and any human trafficking
22 related to those operations.

23 **SECTION 152.** ORS 475C.535 is amended to read:

24 475C.535. The Illegal [*Marijuana*] **Cannabis** Market Enforcement Grant Program Fund is estab-
25 lished in the State Treasury separate and distinct from the General Fund. Moneys in the Illegal
26 [*Marijuana*] **Cannabis** Market Enforcement Grant Program Fund are continuously appropriated to
27 the Oregon Criminal Justice Commission for the purposes of carrying out the provisions of ORS
28 475C.531. Interest earned by the fund shall be credited to the fund.

29 **SECTION 153.** ORS 475C.540 is amended to read:

30 475C.540. As used in ORS 475C.540 to 475C.586:

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

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

37 (3) “Cannabinoid” means any of the chemical compounds that are the active constituents of
38 [*marijuana*] **cannabis**.

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

41 (5) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate or
42 extract or the dried leaves or flowers of [*marijuana*] **cannabis** have been incorporated.

43 (6)(a) “Cannabinoid product” means a cannabinoid edible or any other product intended for hu-
44 man consumption or use, including a product intended to be applied to a person’s skin or hair, that
45 contains cannabinoids or the dried leaves or flowers of [*marijuana*] **cannabis**.

- (b) “Cannabinoid product” does not include:
- (A) Usable [*marijuana*] **cannabis** by itself;
 - (B) A cannabinoid concentrate or extract by itself; or
 - (C) Industrial hemp.

(7)(a) **“Cannabis” means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.**

(b) **“Cannabis” 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.**

(8) **“Cannabis item” means cannabis, usable cannabis, a cannabinoid product or a cannabinoid concentrate or extract.**

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

[(8)] (10) “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)] (11) “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*] **cannabis** into cannabinoid products or cannabinoid concentrates or extracts.

(b) The compounding or conversion of industrial hemp into industrial hemp concentrates or industrial hemp extracts.

(13) “Producing” means:

(a) Planting, cultivating, growing, trimming or harvesting [*marijuana*] **cannabis**; or

(b) Drying [*marijuana*] **cannabis** leaves and flowers.

(14)(a) **“Usable [*marijuana*] cannabis” means the dried leaves and flowers of [*marijuana*] cannabis.**

(b) **“Usable [*marijuana*] cannabis” does not include:**

(A) The seeds, stalks and roots of [*marijuana*] **cannabis**; or

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

SECTION 154. 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*] **cannabis** items and industrial hemp-derived

1 vapor items.

2 (b) Identifying appropriate tests for [*marijuana*] **cannabis** items and industrial hemp-derived va-
 3 por items, depending on the type of [*marijuana*] **cannabis** item or industrial hemp-derived vapor item
 4 and the manner in which the [*marijuana*] **cannabis** item or industrial hemp-derived vapor item was
 5 produced or processed, that are necessary to protect the public health and safety, including, but not
 6 limited to, tests for:

7 (A) Microbiological contaminants;

8 (B) Pesticides;

9 (C) Other contaminants;

10 (D) Solvents or residual solvents; and

11 (E) Adult use cannabinoid and cannabidiol concentration.

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

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

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

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

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

26 (b) A person processing [*marijuana*] **cannabis** to test cannabinoid products or cannabinoid con-
 27 centrates or extracts before transferring the cannabinoid products or cannabinoid concentrates or
 28 extracts to a registrant other than an individual who holds a registry identification card under ORS
 29 475C.783.

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

31 (a) A [*marijuana*] **cannabis** producer that holds a license under ORS 475C.065 or a [*marijuana*]
 32 **cannabis** wholesaler that holds a license under ORS 475C.093 to test usable [*marijuana*] **cannabis**
 33 before selling or transferring the usable [*marijuana*] **cannabis**; and

34 (b) A [*marijuana*] **cannabis** processor that holds a license under ORS 475C.085 or a
 35 [*marijuana*] **cannabis** wholesaler that holds a license under ORS 475C.093 to test cannabinoid pro-
 36 ducts or cannabinoid concentrates or extracts before selling or transferring the cannabinoid pro-
 37 ducts or cannabinoid concentrates or extracts.

38 (5) The authority and the commission may conduct testing of [*marijuana*] **cannabis** items or in-
 39 dustrial hemp-derived vapor items for the purpose of determining whether a person subject to testing
 40 under subsection (3) of this section or a licensee subject to testing under subsection (4) of this sec-
 41 tion is in compliance with this section.

42 (6) In adopting rules to implement this section, the authority and commission may not require
 43 a [*marijuana*] **cannabis** item or industrial hemp-derived vapor item to undergo the same test more
 44 than once unless:

45 (a) The [*marijuana*] **cannabis** item or industrial hemp-derived vapor item is processed into a

1 different type of [*marijuana*] **cannabis** item or industrial hemp-derived vapor item or the condition
 2 of the [*marijuana*] **cannabis** item or industrial hemp-derived vapor item has fundamentally changed;

3 (b) The authority or the commission has reason to believe that the [*marijuana*] **cannabis** item
 4 or industrial hemp-derived vapor item is not in compliance with rules adopted under this section;
 5 or

6 (c) The test to which the [*marijuana*] **cannabis** item or industrial hemp-derived vapor item is
 7 subject more than once is a test described in subsection (5) of this section.

8 (7) The testing of [*marijuana*] **cannabis** items and industrial hemp-derived vapor items as re-
 9 quired by this section must be conducted by a laboratory licensed by the commission under ORS
 10 475C.548 and accredited by the authority under ORS 475C.560.

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

12 (a) Shall consider the cost of a potential testing procedure and how that cost will affect the cost
 13 to the ultimate consumer of the [*marijuana*] **cannabis** item or industrial hemp-derived vapor item;
 14 and

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

17 **SECTION 155.** ORS 475C.548 is amended to read:

18 475C.548. (1) A laboratory that conducts testing of [*marijuana*] **cannabis** items or industrial
 19 hemp-derived vapor items as required by ORS 475C.544 must have a license to operate at the
 20 premises at which the [*marijuana*] **cannabis** items or industrial hemp-derived vapor items are tested.

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

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

25 (b) Processes for applying for and renewing a license under this section, which may be the same
 26 as the application process established under ORS 475C.033;

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

28 (d) Procedures for:

29 (A) Tracking usable [*marijuana*] **cannabis**, cannabinoid products, cannabinoid concentrates or
 30 extracts or industrial hemp-derived vapor items to be tested;

31 (B) Documenting and reporting test results; and

32 (C) Disposing of samples of usable [*marijuana*] **cannabis**, cannabinoid products, cannabinoid
 33 concentrates or extracts or industrial hemp-derived vapor items that have been tested.

34 (3) A license issued under this section:

35 (a) Must be renewed annually.

36 (b) Is subject to the conditions provided in ORS 475C.049 for licenses issued under ORS 475C.005
 37 to 475C.525.

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

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

42 (a) A provision of ORS 475C.540 to 475C.586 or a rule adopted under a provision of ORS
 43 475C.540 to 475C.586; or

44 (b) A provision of ORS 475C.005 to 475C.525 or a rule adopted under a provision of ORS
 45 475C.005 to 475C.525.

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

3 (7) Fee moneys collected under this section shall be deposited in the [*Marijuana*] **Cannabis**
4 Control and Regulation Fund established under ORS 475C.297 and are continuously appropriated to
5 the commission for the purpose of carrying out the duties, functions and powers of the commission
6 under ORS 475C.540 to 475C.586.

7 **SECTION 156.** ORS 475C.560 is amended to read:

8 475C.560. (1) A laboratory that conducts testing of [*marijuana*] **cannabis** items or industrial
9 hemp-derived vapor items as required by ORS 475C.544 must be accredited under ORS 438.605 to
10 438.620 and meet other qualifications as established by the Oregon Health Authority under this
11 section.

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

15 (a) Complete an application;

16 (b) Undergo an onsite inspection; and

17 (c) Meet other applicable requirements, specifications and guidelines for testing [*marijuana*]
18 **cannabis** items or industrial hemp-derived vapor items, as determined to be appropriate by the au-
19 thority by rule.

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

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

25 (a) A provision of ORS 475C.540 to 475C.586 or a rule adopted under a provision of ORS
26 475C.540 to 475C.586; or

27 (b) A provision of ORS 475C.005 to 475C.525 or a rule adopted under a provision of ORS
28 475C.005 to 475C.525.

29 (5) In establishing fees under ORS 438.620 for laboratories that test [*marijuana*] **cannabis** items
30 or industrial hemp-derived vapor items, the authority shall establish fees that are reasonably calcu-
31 lated to pay the expenses incurred by the authority under this section and ORS 438.605 to 438.620
32 in accrediting laboratories that test [*marijuana*] **cannabis** items or industrial hemp-derived vapor
33 items.

34 **SECTION 157.** ORS 475C.564 is amended to read:

35 475C.564. ORS 475C.540 to 475C.586 do not apply to:

36 (1) A person responsible for a [*marijuana*] **cannabis** grow site under ORS 475C.792 if the person
37 is transferring usable [*marijuana*] **cannabis** or an immature [*marijuana*] **cannabis** plant, as defined
38 in ORS 475C.009, to:

39 (a) A person who holds a registry identification card under ORS 475C.783 and who designated
40 the person responsible for the [*marijuana*] **cannabis** grow site to grow [*marijuana*] **cannabis** for the
41 person who holds a registry identification card; or

42 (b) A person who has been designated as the primary caregiver under ORS 475C.789 of a person
43 who holds a registry identification card under ORS 475C.783 and who designated the person re-
44 sponsible for the [*marijuana*] **cannabis** grow site to grow [*marijuana*] **cannabis** for the person who
45 holds a registry identification card; or

1 (2) A person who has been designated as the primary caregiver under ORS 475C.789 of a person
 2 who holds a registry identification card under ORS 475C.783 if the person is transferring a
 3 [*marijuana*] **cannabis** item to the person who holds a registry identification card.

4 **SECTION 158.** ORS 475C.586 is amended to read:

5 475C.586. A person who holds a license under ORS 475C.548, and an employee of or other person
 6 who performs work for a person who holds a license under ORS 475C.548, are exempt from the
 7 criminal laws of this state for possession, delivery or manufacture of [*marijuana*] **cannabis**, aiding
 8 and abetting another in the possession, delivery or manufacture of [*marijuana*] **cannabis**, or any
 9 other criminal offense in which possession, delivery or manufacture of [*marijuana*] **cannabis** is an
 10 element, while performing activities related to testing as described in ORS 475C.540 to 475C.586.

11 **SECTION 159.** ORS 475C.590 is amended to read:

12 475C.590. (1) The Oregon Liquor and Cannabis Commission shall establish an advisory commit-
 13 tee to advise the commission, the Oregon Health Authority and the State Department of Agriculture
 14 on establishing and maintaining standards for testing the potency of [*marijuana*] **cannabis** and
 15 [*marijuana*] **cannabis** items, as those terms are defined in ORS 475C.009. The members of the com-
 16 mittee must include members who are:

17 (a) Representatives of the commission, the authority and the department;

18 (b) Stakeholders in the [*marijuana*] **cannabis** industry; and

19 (c) Individuals who have expertise in the potency testing of [*marijuana*] **cannabis** and
 20 [*marijuana*] **cannabis** items.

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

22 **SECTION 160.** ORS 475C.600 is amended to read:

23 475C.600. As used in ORS 475C.600 to 475C.648:

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

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

30 (3) “Cannabinoid” means any of the chemical compounds that are the active constituents of
 31 [*marijuana*] **cannabis**.

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

34 (5) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate or
 35 extract or the dried leaves or flowers of [*marijuana*] **cannabis** have been incorporated.

36 (6)(a) “Cannabinoid product” means a cannabinoid edible or any other product intended for hu-
 37 man consumption or use, including a product intended to be applied to a person’s skin or hair, that
 38 contains cannabinoids or the dried leaves or flowers of [*marijuana*] **cannabis**.

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

40 (A) Usable [*marijuana*] **cannabis** by itself;

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

42 (C) Industrial hemp.

43 (7)(a) “**Cannabis**” means the plant Cannabis family Cannabaceae, any part of the plant
 44 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

45 (b) “**Cannabis**” does not include:

1 (A) Industrial hemp; or

2 (B) Prescription drugs, as that term is defined in ORS 689.005, including those containing
 3 one or more cannabinoids, that are approved by the United States Food and Drug Adminis-
 4 tration and dispensed by a pharmacy, as defined in ORS 689.005.

5 (8) “Cannabis item” means cannabis, usable cannabis, a cannabinoid product or a
 6 cannabinoid concentrate or extract.

7 [(7)] (9) “Industrial hemp” has the meaning given that term in ORS 571.269.

8 [(8)] (10) “Industrial hemp-derived vapor item” means an industrial hemp concentrate or indus-
 9 trial hemp extract, as those terms are defined in ORS 571.269, whether alone or combined with other
 10 substances, that is intended for use in an inhalant delivery system.

11 [(9)] (11) “Inhalant delivery system” has the meaning given that term in ORS 431A.175.

12 [(10)(a)] “Marijuana” means the plant *Cannabis* family *Cannabaceae*, any part of the plant
 13 *Cannabis* family *Cannabaceae* and the seeds of the plant *Cannabis* family *Cannabaceae*.]

14 [(b)] “Marijuana” does not include:]

15 [(A)] Industrial hemp; or]

16 [(B)] Prescription drugs, as that term is defined in ORS 689.005, including those containing one or
 17 more cannabinoids, that are approved by the United States Food and Drug Administration and dis-
 18 pensed by a pharmacy, as defined in ORS 689.005.]

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

21 (12) “Processing” means:

22 (a) The compounding or conversion of [*marijuana*] **cannabis** into cannabinoid products or
 23 cannabinoid concentrates or extracts.

24 (b) The compounding or conversion of industrial hemp into industrial hemp concentrates or in-
 25 dustrial hemp extracts.

26 (13) “Producing” means:

27 (a) Planting, cultivating, growing, trimming or harvesting [*marijuana*] **cannabis**; or

28 (b) Drying [*marijuana*] **cannabis** leaves and flowers.

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

30 (15)(a) “Usable [*marijuana*] **cannabis**” means the dried leaves and flowers of [*marijuana*]
 31 **cannabis**.

32 (b) “Usable [*marijuana*] **cannabis**” does not include:

33 (A) The seeds, stalks and roots of [*marijuana*] **cannabis**; or

34 (B) Waste material that is a by-product of producing or processing [*marijuana*] **cannabis**.

35 **SECTION 161.** ORS 475C.604 is amended to read:

36 475C.604. (1) As is necessary to protect the public health and safety, and in consultation with
 37 the Oregon Health Authority and the State Department of Agriculture, the Oregon Liquor and
 38 Cannabis Commission shall adopt rules establishing standards for the labeling of [*marijuana*]
 39 **cannabis** items and inhalant delivery systems that contain industrial hemp-derived vapor items, in-
 40 cluding but not limited to:

41 (a) Ensuring that usable [*marijuana*] **cannabis**, cannabinoid concentrates and extracts,
 42 cannabinoid edibles, other cannabinoid products and inhalant delivery systems that contain indus-
 43 trial hemp-derived vapor items have labeling that communicates:

44 (A) Health and safety warnings;

45 (B) If applicable, activation time;

1 (C) Potency;

2 (D) For cannabinoid products and cannabinoid concentrates and extracts, serving size and the
3 number of servings included in a cannabinoid product or cannabinoid concentrate or extract pack-
4 age; and

5 (E) Content of the [*marijuana*] **cannabis** item or inhalant delivery system that contains an in-
6 dustrial hemp-derived vapor item; and

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

10 (2) In adopting rules under ORS 475C.770 to 475C.919, the authority shall require all usable
11 [*marijuana*] **cannabis**, cannabinoid products and cannabinoid concentrates and extracts transferred
12 by a medical [*marijuana*] **cannabis** dispensary registered under ORS 475C.833 to be labeled in ac-
13 cordance with subsection (1) of this section and rules adopted under subsection (1) of this section.

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

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

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

23 (b) May establish different minimum labeling standards for persons registered under ORS
24 475C.770 to 475C.919 and persons licensed under ORS 475C.005 to 475C.525;

25 (c) Shall consider the cost of a potential requirement and how that cost will affect the cost to
26 the ultimate consumer of the [*marijuana*] **cannabis** item or inhalant delivery system that contains
27 an industrial hemp-derived vapor item; and

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

30 **SECTION 162.** ORS 475C.608 is amended to read:

31 475C.608. (1) As used in this section:

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

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

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

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

45 **SECTION 163.** ORS 475C.612 is amended to read:

1 475C.612. (1) As is necessary to protect the public health and safety, and in consultation with
 2 the Oregon Health Authority and the State Department of Agriculture, the Oregon Liquor and
 3 Cannabis Commission shall adopt rules establishing standards for the packaging of [*marijuana*]
 4 **cannabis** items, including but not limited to:

5 (a) Ensuring that cannabinoid concentrates and extracts, cannabinoid edibles and other
 6 cannabinoid products are:

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

8 (B) Not marketed in a manner that:

9 (i) Is untruthful or misleading;

10 (ii) Is attractive to minors; or

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

12 (b) Ensuring that usable [*marijuana*] **cannabis**, including usable [*marijuana*] **cannabis** that is
 13 pre-rolled, is not marketed in a manner that:

14 (A) Is untruthful and misleading;

15 (B) Is attractive to minors; or

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

17 (c) Ensuring that cannabinoid edibles and other cannabinoid products are not packaged in a
 18 manner that is attractive to minors.

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

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

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

29 (a) May establish different packaging standards for different varieties of usable [*marijuana*]
 30 **cannabis** and for different types of cannabinoid products and cannabinoid concentrates and extracts;

31 (b) May establish different minimum packaging standards for persons registered under ORS
 32 475C.770 to 475C.919 and persons licensed under ORS 475C.005 to 475C.525;

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

34 (d) Shall consider the cost of a potential requirement and how that cost will affect the cost to
 35 the ultimate consumer of the [*marijuana*] **cannabis** item; and

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

38 **SECTION 164.** ORS 475C.616 is amended to read:

39 475C.616. (1) As used in this section:

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

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

42 (2) The Oregon Liquor and Cannabis Commission may by rule require a licensee, and the Oregon
 43 Health Authority may by rule require a registrant, to submit packaging intended for a [*marijuana*]
 44 **cannabis** item for preapproval by the commission before the licensee or registrant may sell or
 45 transfer a [*marijuana*] **cannabis** item packaged in the packaging. The commission shall determine

1 whether packaging submitted under this section complies with ORS 475C.612 and any rule adopted
2 under ORS 475C.612.

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

5 **SECTION 165.** ORS 475C.620 is amended to read:

6 475C.620. (1) The Oregon Liquor and Cannabis Commission, in consultation with the Oregon
7 Health Authority and the State Department of Agriculture, shall adopt rules establishing:

8 (a) The maximum concentration of total delta-9-THC that is permitted in a single serving of a
9 cannabinoid product or cannabinoid concentrate or extract;

10 (b) The maximum concentration of adult use cannabinoid, any other cannabinoid or artificially
11 derived cannabinoid that is permitted in a single serving of a cannabinoid product or a cannabinoid
12 concentrate or extract; and

13 (c) The number of servings that are permitted in a package of cannabinoid product or
14 cannabinoid concentrate or extract.

15 (2)(a) In adopting rules under subsection (1)(a) or (b) of this section, the commission shall pre-
16 scribe the different levels of concentration of total delta-9-THC, artificially derived cannabinoids,
17 adult use cannabinoids or any other cannabinoid that is permitted in a single serving of a
18 cannabinoid product or cannabinoid concentrate or extract for:

19 (A) Consumers who hold a valid registry identification card issued under ORS 475C.783; and

20 (B) Consumers who do not hold a valid registry identification card issued under ORS 475C.783.

21 (b) In prescribing the levels of concentration of total delta-9-THC, artificially derived
22 cannabinoids, adult use cannabinoids or any other cannabinoid that is permitted in a single serving
23 of a cannabinoid product or cannabinoid concentrate or extract for consumers who hold a valid
24 registry identification card issued under ORS 475C.783, the commission shall consider the appropri-
25 ate level of concentration necessary to mitigate the symptoms or effects of a debilitating medical
26 condition, as defined in ORS 475C.777.

27 (3) In adopting rules under ORS 475C.770 to 475C.919, the authority shall adopt by rule re-
28 quirements established by the commission by rule to require all usable [*marijuana*] **cannabis**,
29 cannabinoid products and cannabinoid concentrates and extracts transferred by a medical
30 [*marijuana*] **cannabis** dispensary registered under ORS 475C.833 to meet the concentration stan-
31 dards and servings per package standards adopted by rule pursuant to this section.

32 (4)(a) In adopting rules under ORS 475C.005 to 475C.525, the commission shall require all usable
33 [*marijuana*] **cannabis**, cannabinoid products and cannabinoid concentrates and extracts sold or
34 transferred by a [*marijuana*] **cannabis** retailer that holds a license under ORS 475C.097 to meet the
35 concentration standards and servings per package standards adopted by rule pursuant to this sec-
36 tion.

37 (b) The rules adopted by the commission under this subsection must allow for a concentration
38 of up to 100 milligrams of adult use cannabinoid per package of cannabinoid edibles.

39 **SECTION 166.** ORS 475C.624 is amended to read:

40 475C.624. (1) ORS 475C.600 to 475C.648 do not apply to:

41 (a) A person responsible for a [*marijuana*] **cannabis** grow site under ORS 475C.792 if the person
42 is transferring usable [*marijuana*] **cannabis** or an immature [*marijuana*] **cannabis** plant, as defined
43 in ORS 475C.009, to:

44 (A) A person who holds a registry identification card under ORS 475C.783 and who designated
45 the person responsible for the [*marijuana*] **cannabis** grow site to grow [*marijuana*] **cannabis** for the

1 person who holds a registry identification card; or

2 (B) A person who has been designated as the primary caregiver under ORS 475C.789 of a person
3 who holds a registry identification card under ORS 475C.783, and who designated the person re-
4 sponsible for the [*marijuana*] **cannabis** grow site to grow [*marijuana*] **cannabis** for the person who
5 holds a registry identification card; or

6 (b) A person who has been designated as the primary caregiver under ORS 475C.789 of a person
7 who holds a registry identification card under ORS 475C.783 if the person is transferring a
8 [*marijuana*] **cannabis** item to the person who holds a registry identification card.

9 (2) The labeling and packaging requirements and standards of ORS 475C.600 to 475C.648 do not
10 apply to a [*marijuana*] **cannabis** processor registered under ORS 475C.141 when the [*marijuana*]
11 **cannabis** processor receives [*marijuana*] **cannabis** and usable [*marijuana*] **cannabis** from, and for
12 a fee processes that [*marijuana*] **cannabis** and usable [*marijuana*] **cannabis** into cannabinoid pro-
13 ducts, cannabinoid concentrates and cannabinoid extracts for, a registry identification cardholder
14 or the designated primary caregiver of a registry identification cardholder.

15 **SECTION 167.** ORS 475C.632 is amended to read:

16 475C.632. To ensure compliance with ORS 475C.600 to 475C.648 and any rule adopted under ORS
17 475C.600 to 475C.648, the Oregon Health Authority may inspect the premises of:

18 (1) A medical [*marijuana*] **cannabis** dispensary registered under ORS 475C.833; and

19 (2) A person that processes [*marijuana*] **cannabis** to test cannabinoid products or cannabinoid
20 concentrates or extracts for the purpose of transferring the cannabinoid products or cannabinoid
21 concentrates or extracts to a medical [*marijuana*] **cannabis** dispensary registered under ORS
22 475C.833.

23 **SECTION 168.** ORS 475C.644 is amended to read:

24 475C.644. (1) In addition to any other liability or penalty provided by law, the Oregon Liquor
25 and Cannabis Commission may impose for each violation of a provision of ORS 475C.600 to 475C.648,
26 or a rule adopted under a provision of ORS 475C.600 to 475C.648, a civil penalty that does not ex-
27 ceed \$500 for each day that the violation occurs.

28 (2) The commission shall impose civil penalties under this section in the manner provided by
29 ORS 183.745.

30 (3) Moneys collected under this section shall be deposited in the [*Marijuana*] **Cannabis** Control
31 and Regulation Fund established under ORS 475C.297 and are continuously appropriated to the
32 commission for the purpose of carrying out the duties, functions and powers of the authority under
33 ORS 475C.600 to 475C.648.

34 **SECTION 169.** ORS 475C.670 is amended to read:

35 475C.670. As used in ORS 475C.670 to 475C.734:

36 (1) “**Cannabis flowers,**” “**cannabis items,**” “**cannabis leaves,**” “**cannabis processor,**”
37 “**cannabis producer,**” “**cannabis retailer,**” “cannabinoid concentrate,” “cannabinoid edible,”
38 “cannabinoid extract,” “cannabinoid product,” “consumer,” [*“immature marijuana plant,”*] “**imma-**
39 **ture cannabis plant**” [*“marijuana flowers,” “marijuana items,” “marijuana leaves,” “marijuana*
40 *processor,” “marijuana producer,” “marijuana retailer”*] and “usable [*marijuana*] **cannabis**” have the
41 meanings given those terms in ORS 475C.009.

42 (2) “Retail sale” means any transfer, exchange, gift or barter of a [*marijuana*] **cannabis** item by
43 any person to a consumer.

44 (3) “Retail sales price” means the price paid for a [*marijuana*] **cannabis** item, excluding tax, to
45 a [*marijuana*] **cannabis** retailer by or on behalf of a consumer of the [*marijuana*] **cannabis** item.

1 **SECTION 170.** ORS 475C.674 is amended to read:

2 475C.674. (1) A tax is hereby imposed upon the retail sale of [*marijuana*] **cannabis** items in this
3 state. The tax imposed by this section is a direct tax on the consumer, for which payment upon re-
4 tail sale is required. The tax shall be collected at the point of sale of a [*marijuana*] **cannabis** item
5 by a [*marijuana*] **cannabis** retailer at the time at which the retail sale occurs.

6 (2) The tax imposed under this section shall be imposed at the rate of:

7 (a) 17 percent of the retail sales price of usable [*marijuana*] **cannabis**;

8 (b) 17 percent of the retail sales price of immature [*marijuana*] **cannabis** plants;

9 (c) 17 percent of the retail sales price of a cannabinoid edible;

10 (d) 17 percent of the retail sales price of a cannabinoid concentrate;

11 (e) 17 percent of the retail sales price of a cannabinoid extract;

12 (f) 17 percent of the retail sales price of a cannabinoid product that is intended to be used by
13 applying the cannabinoid product to the skin or hair; and

14 (g) 17 percent of the retail sales price of cannabinoid products other than those described in
15 paragraph (f) of this subsection.

16 (3) If the tax imposed under this section does not equal an amount calculable to a whole cent,
17 the tax shall be equal to the next higher whole cent.

18 (4) Except as otherwise provided by the Department of Revenue by rule, the amount of the tax
19 shall be separately stated on an invoice, receipt or other similar document that the [*marijuana*]
20 **cannabis** retailer provides to the consumer at the time at which the retail sale occurs.

21 (5) A person may not knowingly sell, purchase, install, transfer or possess electronic devices or
22 software programs for the purposes of:

23 (a) Hiding or removing records of retail sales of [*marijuana*] **cannabis** items; or

24 (b) Falsifying records of retail sales of [*marijuana*] **cannabis** items.

25 (6)(a) A [*marijuana*] **cannabis** retailer may not discount a [*marijuana*] **cannabis** item or offer a
26 [*marijuana*] **cannabis** item for free if the retail sale of the [*marijuana*] **cannabis** item is made in
27 conjunction with the retail sale of any other item.

28 (b) Paragraph (a) of this subsection does not affect any provision of ORS 475C.005 to 475C.525
29 or any rule adopted by the Oregon Liquor and Cannabis Commission pursuant to ORS 475C.005 to
30 475C.525 that is related to the retail sale of [*marijuana*] **cannabis** items.

31 **SECTION 171.** ORS 475C.678 is amended to read:

32 475C.678. (1) As used in this section, “designated primary caregiver,” “registry identification
33 card” and “registry identification cardholder” have the meanings given those terms in ORS
34 475C.777.

35 (2) Notwithstanding ORS 475C.674:

36 (a) A tax is not imposed upon the retail sale of [*marijuana*] **cannabis** items in this state to a
37 registry identification cardholder or to a designated primary caregiver who is purchasing a
38 [*marijuana*] **cannabis** item for a registry identification cardholder; and

39 (b) A [*marijuana*] **cannabis** retailer may not collect the tax imposed under ORS 475C.674 from
40 a consumer if, at the time at which the retail sale of the [*marijuana*] **cannabis** item occurs, the
41 consumer provides proof to the [*marijuana*] **cannabis** retailer that the consumer:

42 (A) Holds a valid registry identification card under ORS 475C.783; or

43 (B) Holds a valid identification card under ORS 475C.783 (5)(b) and is purchasing the
44 [*marijuana*] **cannabis** item for a registry identification cardholder.

45 (3) The Department of Revenue:

1 (a) Shall adopt rules establishing procedures by which a [*marijuana*] **cannabis** retailer shall
2 document that a consumer holds a valid registry identification card issued under ORS 475C.783 or
3 a valid identification card issued under ORS 475C.783 (5)(b); and

4 (b) May adopt rules establishing procedures by which the department may verify that a
5 [*marijuana*] **cannabis** retailer collects the tax imposed under ORS 475C.674 from consumers of
6 [*marijuana*] **cannabis** items who are not registry identification cardholders or designated primary
7 caregivers.

8 **SECTION 172.** Section 44, chapter 525, Oregon Laws 2021, is amended to read:

9 **Sec. 44.** ORS 475B.707 [renumbered 475C.678] applies to retail sales of [*marijuana*] **cannabis**
10 items occurring on or after January 1, 2016, and before January 1, 2028.

11 **SECTION 173.** ORS 475C.682 is amended to read:

12 475C.682. (1) Except as otherwise provided in ORS 475C.670 to 475C.734, the tax imposed upon
13 the consumer under ORS 475C.674 shall be collected at the point of sale and remitted by each
14 [*marijuana*] **cannabis** retailer that engages in the retail sale of [*marijuana*] **cannabis** items. The tax
15 is considered a tax upon the [*marijuana*] **cannabis** retailer that is required to collect the tax, and
16 the [*marijuana*] **cannabis** retailer is considered a taxpayer.

17 (2) The [*marijuana*] **cannabis** retailer shall file a return to the Department of Revenue on or
18 before the last day of January, April, July and October of each year for the previous calendar
19 quarter.

20 (3) The [*marijuana*] **cannabis** retailer shall pay the tax to the department in the form and
21 manner prescribed by the department, but not later than with each quarterly return, without regard
22 to an extension granted under subsection (5) of this section.

23 (4) [*Marijuana*] **Cannabis** retailers shall file the returns required under this section regardless
24 of whether any tax is owed.

25 (5) For good cause, the department may extend the time for filing a return under this section.
26 The extension may be granted at any time if a written request is filed with the department during
27 or prior to the period for which the extension may be granted. The department may not grant an
28 extension of more than 30 days.

29 (6) Interest shall be added at the rate established under ORS 305.220 from the time the return
30 was originally required to be filed to the time of payment.

31 (7) If a [*marijuana*] **cannabis** retailer fails to file a return or pay the tax as required by this
32 section, the department shall:

33 (a) Impose a penalty in the manner provided in ORS 314.400; and

34 (b) If the department has issued to the [*marijuana*] **cannabis** retailer a distraint warrant or no-
35 tice of determination and assessment under ORS 475C.688, provide written notification to the
36 Oregon Liquor and Cannabis Commission of the issuance of the distraint warrant or notice of de-
37 termination and assessment.

38 (8) Except as provided in subsections (9) and (10) of this section, the period prescribed for the
39 department to allow or make a refund of any overpayment of tax paid under ORS 475C.670 to
40 475C.734 is as provided in ORS 314.415.

41 (9)(a) The department shall first apply any overpayment of tax by a [*marijuana*] **cannabis**
42 retailer to any [*marijuana*] **cannabis** tax that is owed by the [*marijuana*] **cannabis** retailer.

43 (b) If after any offset against any delinquent amount the overpayment of tax remains greater
44 than \$1,000, the remaining refund shall be applied as a credit against the next subsequent calendar
45 quarter as an estimated payment.

1 (10) The department may not make a refund of, or credit, any overpayment of tax under ORS
2 475C.670 to 475C.734 that was credited to the account of a [*marijuana*] **cannabis** retailer under
3 subsection (9)(b) of this section if the return for that tax period is not filed within three years after
4 the due date of that return.

5 **SECTION 174.** ORS 475C.688 is amended to read:

6 475C.688. (1) Every person who collects any amount under ORS 475C.682 shall hold the same in
7 trust for the State of Oregon and for the payment thereof to the Department of Revenue in the
8 manner and at the time provided in ORS 475C.682.

9 (2) At any time a [*marijuana*] **cannabis** retailer fails to remit any amount collected, the de-
10 partment may enforce collection by the issuance of a distraint warrant for the collection of the de-
11 linquent amount and all penalties, interest and collection charges accrued thereon. The warrant
12 shall be issued, recorded and proceeded upon in the same manner and shall have the same force and
13 effect as is prescribed with respect to warrants for the collection of delinquent income taxes.

14 (3)(a) In the case of a [*marijuana*] **cannabis** retailer that is assessed pursuant to the provisions
15 of ORS 305.265 (12) and 314.407 (1), the department may issue a notice of liability to any officer,
16 employee or member of the [*marijuana*] **cannabis** retailer within three years from the time of as-
17 sessment. Within 30 days from the date the notice of liability is mailed to the officer, employee or
18 member, the officer, employee or member shall pay the assessment, plus penalties and interest, or
19 advise the department in writing of objections to the liability and, if desired, request a conference.
20 A conference shall be governed by the provisions of ORS 305.265 pertaining to a conference re-
21 quested from a notice of deficiency.

22 (b) After a conference or, if no conference is requested, a determination of the issues considering
23 the written objections, the department shall mail the officer, employee or member a conference let-
24 ter affirming, canceling or adjusting the notice of liability. Within 90 days from the date the con-
25 ference letter is mailed to the officer, employee or member, the officer, employee or member shall
26 pay the assessment, plus penalties and interest, or appeal to the tax court in the manner provided
27 for an appeal from a notice of assessment.

28 (c) If the department does not receive payment or written objection to the notice of liability
29 within 30 days after the notice of liability was mailed, the notice of liability becomes final. In that
30 event, the officer, employee or member may appeal the notice of liability to the tax court within 90
31 days after it became final in the manner provided for an appeal from a notice of assessment.

32 (4)(a) In the case of a failure to file a return on the due date, governed by the provisions of ORS
33 305.265 (10) and 314.400, the department, in addition to any action described in the provisions of
34 ORS 305.265 (10) and 314.400, may send notices of determination and assessment to any officer, em-
35 ployee or member any time within three years after the assessment. The time of assessment against
36 the officer, employee or member is 30 days after the date the notice of determination and assessment
37 is mailed. Within 30 days from the date the notice of determination and assessment is mailed to the
38 officer, employee or member, the officer, employee or member shall pay the assessment, plus penal-
39 ties and interest, or advise the department in writing of objections to the assessment and, if desired,
40 request a conference. A conference shall be governed by the provisions of ORS 305.265 pertaining
41 to a conference requested from a notice of deficiency.

42 (b) After a conference or, if no conference is requested, a determination of the issues considering
43 the written objections, the department shall mail the officer, employee or member a conference let-
44 ter affirming, canceling or adjusting the notice of determination and assessment. Within 90 days
45 from the date the conference letter is mailed to the officer, employee or member, the officer, em-

1 ployee or member shall pay the assessment, plus penalties and interest, or appeal in the manner
2 provided for an appeal from a notice of assessment.

3 (c) If the department does not receive payment or written objection to the notice of determi-
4 nation and assessment within 30 days after the notice of determination and assessment was mailed,
5 the notice of determination and assessment becomes final. In that event, the officer, employee or
6 member may appeal the notice of determination and assessment to the tax court within 90 days after
7 it became final in the manner provided for an appeal from a notice of assessment.

8 (5)(a) More than one officer or employee of a corporation may be held jointly and severally lia-
9 ble for payment of taxes.

10 (b) Notwithstanding the confidentiality provisions of ORS 475C.722, if more than one officer or
11 employee of a corporation may be held jointly and severally liable for payment of taxes, the de-
12 partment may require any or all of the officers, members or employees who may be held liable to
13 appear before the department for a joint determination of liability. The department shall notify each
14 officer, member or employee of the time and place set for the determination of liability.

15 (c) Each person notified of a joint determination under this subsection shall appear and present
16 such information as is necessary to establish that person's liability or nonliability for payment of
17 taxes to the department. If a person who was notified fails to appear, the department shall make its
18 determination on the basis of all the information and evidence presented. The department's deter-
19 mination is binding on all persons notified and required to appear under this subsection.

20 (d)(A) If an appeal is taken to the Oregon Tax Court pursuant to ORS 475C.722 by any person
21 determined to be liable for unpaid taxes under this subsection, each person required to appear be-
22 fore the department under this subsection shall be impleaded by the plaintiff. The department may
23 implead any officer, employee or member who may be held jointly and severally liable for the pay-
24 ment of taxes. Each person impleaded under this paragraph shall be made a party to the action be-
25 fore the tax court and shall make available to the tax court the information that was presented
26 before the department, as well as other information that may be presented to the court.

27 (B) The court may determine that one or more persons impleaded under this paragraph are lia-
28 ble for unpaid taxes without regard to any earlier determination by the department that an
29 impleaded person was not liable for unpaid taxes.

30 (C) If a person required to appear before the court under this subsection fails or refuses to ap-
31 pear or bring such information in part or in whole, or is outside the jurisdiction of the tax court,
32 the court shall make its determination on the basis of all the evidence introduced. Notwithstanding
33 ORS 475C.722, the evidence constitutes a public record and shall be available to the parties and the
34 court. The determination of the tax court is binding on all persons made parties to the action under
35 this subsection.

36 (e) This section may not be construed to preclude a determination by the department or the
37 Oregon Tax Court that more than one officer, employee or member are jointly and severally liable
38 for unpaid taxes.

39 **SECTION 175.** ORS 475C.692 is amended to read:

40 475C.692. (1) A [*marijuana*] **cannabis** retailer shall keep receipts, invoices and other pertinent
41 records related to retail sales of [*marijuana*] **cannabis** items in the form required by the Department
42 of Revenue. Each record shall be preserved for five years from the time to which the record relates,
43 or for as long as the [*marijuana*] **cannabis** retailer retains the [*marijuana*] **cannabis** items to which
44 the record relates, whichever is later. During the retention period and at any time prior to the de-
45 struction of records, the department may give written notice to the [*marijuana*] **cannabis** retailer

1 not to destroy records described in the notice without written permission of the department.
2 Notwithstanding any other provision of law, the department shall preserve reports and returns filed
3 with the department for at least five years.

4 (2) The department or its authorized representative, upon oral or written demand, may make
5 examinations of the books, papers, records and equipment of persons making retail sales of
6 [*marijuana*] **cannabis** items and any other investigations as the department deems necessary to
7 carry out the provisions of ORS 475C.670 to 475C.734.

8 **SECTION 176.** ORS 475C.706 is amended to read:

9 475C.706. (1)(a) When an amount represented by a [*marijuana*] **cannabis** retailer at retail to a
10 consumer as constituting the tax imposed under ORS 475C.670 to 475C.734 is computed upon an
11 amount that is not taxable or is in excess of the taxable amount and is actually paid by the con-
12 sumer to the [*marijuana*] **cannabis** retailer, the excess tax paid shall be returned by the
13 [*marijuana*] **cannabis** retailer to the consumer upon written notification by the Department of Re-
14 venue or the consumer.

15 (b) The written notification must contain information necessary to determine the validity of the
16 consumer's claim.

17 (2) If the [*marijuana*] **cannabis** retailer does not return the excess tax within 60 days after
18 mailing of the written notification required under subsection (1) of this section, the consumer may
19 appeal to the department for a refund of the amount of the excess tax, in the manner and within the
20 time allowed under rules adopted by the department.

21 (3) If excess tax is returned to the consumer by the department, the department may issue a
22 notice of deficiency for the excess tax to the [*marijuana*] **cannabis** retailer in the manner provided
23 under ORS 305.265.

24 **SECTION 177.** ORS 475C.710 is amended to read:

25 475C.710. For the purpose of compensating [*marijuana*] **cannabis** retailers for expenses incurred
26 in collecting the tax imposed under ORS 475C.674, each [*marijuana*] **cannabis** retailer is permitted
27 to deduct and retain two percent of the amount of taxes that are collected by the [*marijuana*]
28 **cannabis** retailer from all retail sales of [*marijuana*] **cannabis** items conducted by the [*marijuana*]
29 **cannabis** retailer.

30 **SECTION 178.** ORS 475C.718 is amended to read:

31 475C.718. (1) The Department of Revenue may enter into an agreement with the governing body
32 of a federally recognized Indian tribe that is qualified as described in this section for the purpose
33 of making rebate payments for an estimate of the tax on [*marijuana*] **cannabis** items imposed under
34 ORS 475C.674 as described in this section.

35 (2) The governing body of a federally recognized Indian tribe is qualified to enter into an
36 agreement under this section if the governing body has entered into an agreement with the Gover-
37 nor, or the Governor's designee, pursuant to ORS 475C.521.

38 (3) The department shall provide rebates under this section for:

39 (a) Usable [*marijuana*] **cannabis** sold by a [*marijuana*] **cannabis** retailer that holds a license
40 issued under ORS 475C.097 that is produced by a [*marijuana*] **cannabis** producer that is located on
41 tribal trust land and licensed by the governing body of a federally recognized Indian tribe that has
42 entered into an agreement with the Governor, or the Governor's designee, pursuant to ORS
43 475C.521, provided that the licensing of the [*marijuana*] **cannabis** producer comports with the
44 agreement; and

45 (b) Cannabinoid concentrates, cannabinoid extracts or cannabinoid products sold by a

1 [marijuana] **cannabis** retailer that holds a license issued under ORS 475C.097 that are processed by
 2 a [marijuana] **cannabis** processor that is located on tribal trust land and licensed by the governing
 3 body of a federally recognized Indian tribe that has entered into an agreement with the Governor,
 4 or the Governor's designee, pursuant to ORS 475C.521, provided that the licensing of the
 5 [marijuana] **cannabis** processor comports with the agreement.

6 (4) Payments made by the department to a federally recognized Indian tribe should represent the
 7 department's estimate of the amount of revenue generated under ORS 475C.674 attributable to
 8 [marijuana] **cannabis** items:

9 (a) Produced by a [marijuana] **cannabis** producer that is located on tribal trust land and li-
 10 censed by the governing body of a federally recognized Indian tribe that has entered into an
 11 agreement with the Governor, or the Governor's designee, pursuant to ORS 475C.521, provided that
 12 the licensing of the [marijuana] **cannabis** producer comports with the agreement; or

13 (b) Processed by a [marijuana] **cannabis** processor that is located on tribal trust land and li-
 14 censed by the governing body of a federally recognized Indian tribe that has entered into an
 15 agreement with the Governor, or the Governor's designee, pursuant to ORS 475C.521, provided that
 16 the licensing of the [marijuana] **cannabis** processor comports with the agreement.

17 (5) There is continuously appropriated from the suspense account established under ORS
 18 475C.734 the amounts necessary to make rebates pursuant to an agreement entered into under this
 19 section.

20 **SECTION 179.** ORS 475C.726 is amended to read:

21 475C.726. (1) As used in this section, "U.S. City Average Consumer Price Index" means the U.S.
 22 City Average Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau
 23 of Labor Statistics of the United States Department of Labor.

24 (2) There is established the Oregon [Marijuana] **Cannabis** Account, separate and distinct from
 25 the General Fund. The account consists of moneys transferred to the account under ORS 475C.734.

26 (3)(a) The Department of Revenue shall certify quarterly the amount of moneys available in the
 27 Oregon [Marijuana] **Cannabis** Account.

28 (b)(A) Before making other transfers of moneys required by this section, the department shall
 29 transfer quarterly to the Drug Treatment and Recovery Services Fund all moneys in the Oregon
 30 [Marijuana] **Cannabis** Account in excess of \$11,250,000.

31 (B) The department shall annually adjust the limitation in subparagraph (A) of this paragraph.
 32 The department shall multiply \$11,250,000 by the percentage, if any, by which the monthly averaged
 33 U.S. City Average Consumer Price Index for the 12 consecutive months ending August 31 of the
 34 prior calendar year exceeds the monthly index for the fourth quarter of the calendar year 2020, and
 35 shall add that product to \$11,250,000. Any increase in the limitation shall apply beginning with
 36 transfers made in July of each year, based upon receipts in the second calendar quarter of each
 37 year.

38 (c) Subject to subsection (4) of this section, and after making the transfer of moneys required
 39 by paragraph (b) of this subsection, the department shall transfer quarterly 20 percent of the moneys
 40 in the Oregon [Marijuana] **Cannabis** Account as follows:

41 (A) Ten percent of the moneys in the account must be transferred to the cities of this state in
 42 the following shares:

43 (i) Seventy-five percent of the 10 percent must be transferred in shares that reflect the popu-
 44 lation of each city of this state that is not exempt from this paragraph pursuant to subsection (4)(a)
 45 of this section compared to the population of all cities of this state that are not exempt from this

1 paragraph pursuant to subsection (4)(a) of this section, as determined by Portland State University
2 under ORS 190.510 to 190.610, on the date immediately preceding the date of the transfer; and

3 (ii) Twenty-five percent of the 10 percent must be transferred in shares that reflect the number
4 of licenses held pursuant to ORS 475C.065, 475C.085, 475C.093 and 475C.097 on the last business day
5 of the calendar quarter preceding the date of the transfer for premises located in each city compared
6 to the number of licenses held pursuant to ORS 475C.065, 475C.085, 475C.093 and 475C.097 on the
7 last business day of that calendar quarter for all premises in this state located in cities; and

8 (B) Ten percent of the moneys in the account must be transferred to counties in the following
9 shares:

10 (i) Fifty percent of the 10 percent must be transferred in shares that reflect the total commer-
11 cially available area of all grow canopies associated with [*marijuana*] **cannabis** producer licenses
12 held pursuant to ORS 475C.065 on the last business day of the calendar quarter preceding the date
13 of the transfer for all premises located in each county compared to the total commercially available
14 area of all grow canopies associated with [*marijuana*] **cannabis** producer licenses held pursuant to
15 ORS 475C.065 on the last business day of that calendar quarter for all premises located in this state;
16 and

17 (ii) Fifty percent of the 10 percent must be transferred in shares that reflect the number of li-
18 censes held pursuant to ORS 475C.085, 475C.093 and 475C.097 on the last business day of the cal-
19 endar quarter preceding the date of the transfer for premises located in each county compared to
20 the number of licenses held pursuant to ORS 475C.085, 475C.093 and 475C.097 on the last business
21 day of that calendar quarter for all premises in this state.

22 (d) After making the transfer of moneys required by paragraph (b) of this subsection, 80 percent
23 of the remaining moneys in the Oregon [*Marijuana*] **Cannabis** Account must be used as follows:

24 (A) Forty percent of the moneys in the account must be used solely for purposes for which
25 moneys in the State School Fund established under ORS 327.008 may be used;

26 (B) Twenty percent of the moneys in the account must be used solely for mental health treat-
27 ment or for alcohol and drug abuse prevention, early intervention and treatment;

28 (C) Fifteen percent of the moneys in the account must be used solely for purposes for which
29 moneys in the State Police Account established under ORS 181A.020 may be used; and

30 (D) Five percent of the moneys in the account must be used solely for purposes related to al-
31 cohool and drug abuse prevention, early intervention and treatment services.

32 (4)(a) A city that has an ordinance prohibiting the establishment of a premises for which issu-
33 ance of a license under ORS 475C.065, 475C.085, 475C.093 or 475C.097 is required is not eligible to
34 receive transfers of moneys under subsection (3)(c)(A) of this section.

35 (b) A county that has an ordinance prohibiting the establishment of a premises for which issu-
36 ance of a license under ORS 475C.065 is required is not eligible to receive transfers of moneys under
37 subsection (3)(c)(B)(i) of this section.

38 (c) A county that has an ordinance prohibiting the establishment of a premises for which issu-
39 ance of a license under ORS 475C.085, 475C.093 or 475C.097 is required is not eligible to receive
40 transfers of moneys under subsection (3)(c)(B)(ii) of this section.

41 (d)(A) Paragraphs (b) and (c) of this subsection do not apply to a county ordinance adopted on
42 or after January 1, 2018, that prohibits the establishment of a premises for which a license under
43 ORS 475C.065, 475C.085, 475C.093 or 475C.097 is required but allows in the unincorporated area of
44 the county the continued operation of an existing premises for which a license under ORS 475C.065,
45 475C.085, 475C.093 or 475C.097 is required.

1 (B) A county that adopts an ordinance described in subparagraph (A) of this paragraph shall
2 certify the adoption of the ordinance under subsection (6) of this section.

3 (5)(a) A city or county that is ineligible under subsection (4) of this section to receive a transfer
4 of moneys from the Oregon [*Marijuana*] **Cannabis** Account during a given quarter but has received
5 a transfer of moneys for that quarter shall return the amount transferred to the Department of Re-
6 venue, with interest as described under paragraph (f) of this subsection. An ineligible city or county
7 may voluntarily transfer the moneys to the Department of Revenue immediately upon receipt of the
8 ineligible transfer.

9 (b) If the Director of the Oregon Department of Administrative Services determines that a city
10 or county received a transfer of moneys under subsection (3)(c) of this section but was ineligible to
11 receive that transfer under subsection (4) of this section, the director shall provide notice to the
12 ineligible city or county and order the city or county to return the amount received to the Depart-
13 ment of Revenue, with interest as described under paragraph (f) of this subsection. A city or county
14 may appeal the order within 30 days of the date of the order under the procedures for a contested
15 case under ORS chapter 183.

16 (c) As soon as the order under paragraph (b) of this subsection becomes final, the director shall
17 notify the Department of Revenue and the ineligible city or county. Upon notification, the Depart-
18 ment of Revenue immediately shall proceed to collect the amount stated in the notice.

19 (d) The Department of Revenue shall have the benefit of all laws of the state pertaining to the
20 collection of income and excise taxes and may proceed to collect the amounts described in the no-
21 tice under paragraph (c) of this subsection. An assessment of tax is not necessary and the collection
22 described in this subsection is not precluded by any statute of limitations.

23 (e) If a city or county is subject to an order to return moneys from an ineligible transfer, the
24 city or county shall be denied any further relief in connection with the ineligible transfer on or after
25 the date that the order becomes final.

26 (f) Interest under this section shall accrue at the rate established in ORS 305.220 beginning on
27 the date the ineligible transfer was made.

28 (g) Both the moneys and the interest collected from or returned by an ineligible city or county
29 shall be redistributed to the cities or counties that were eligible to receive a transfer under sub-
30 section (3)(c) of this section on the date the ineligible transfer was made.

31 (6)(a) Not later than July 1 of each year, each city and county in this state shall certify with
32 the Oregon Department of Administrative Services whether the city or county has an ordinance
33 prohibiting the establishment of a premises for which issuance of a license under ORS 475C.065,
34 475C.085, 475C.093 or 475C.097 is required and whether the county has an ordinance described in
35 subsection (4)(d) of this section. The certification shall be made concurrently with the certifications
36 under ORS 221.770, in a form and manner prescribed by the Oregon Department of Administrative
37 Services.

38 (b) If a city fails to comply with this subsection, the city is not eligible to receive transfers of
39 moneys under subsection (3)(c)(A) of this section. If a county fails to comply with this subsection,
40 the county is not eligible to receive transfers of moneys under subsection (3)(c)(B) of this section.

41 (c) A city or county that repeals an ordinance as provided in ORS 475C.457 shall file an updated
42 certification with the Oregon Department of Administrative Services in a form and manner pre-
43 scribed by the department, noting the effective date of the change. A city or county that repeals an
44 ordinance as provided in ORS 475C.457 is eligible to receive quarterly transfers of moneys under
45 this section for quarters where the repeal is effective for the entire quarter and the updated certi-

1 fication was filed at least 30 days before the date of transfer.

2 **SECTION 180.** ORS 475C.728 is amended to read:

3 475C.728. Notwithstanding ORS 475C.726, before making any other distribution from the Oregon
4 [*Marijuana*] **Cannabis** Account established under ORS 475C.726, the Department of Revenue shall
5 first distribute quarterly from the account the following:

6 (1) \$875,000 to the Oregon Liquor and Cannabis Commission for deposit in the [*Marijuana*]
7 **Cannabis** Control and Regulation Fund established under ORS 475C.297; and

8 (2) \$750,000 to the Oregon Criminal Justice Commission for deposit into the Illegal [*Marijuana*]
9 **Cannabis** Market Enforcement Grant Program Fund established under ORS 475C.535 for the pur-
10 poses of paying the costs incurred by the commission in carrying out the provisions of ORS
11 475C.531.

12 **SECTION 181.** ORS 475C.730 is amended to read:

13 475C.730. (1) Prior to adopting an ordinance described in ORS 475C.726 (4)(d), a county shall
14 convene a cannabis advisory panel to provide recommendations to the county commission regarding
15 the county's regulation of [*marijuana*] **cannabis** and use of moneys transferred to the county under
16 ORS 475C.726 (4). The county commission shall appoint the following members to the county
17 cannabis advisory panel:

18 (a) A person who holds a license issued under ORS 475C.065 for a premises located in the
19 county;

20 (b) A person who holds a license issued under ORS 475C.097 for a premises located in the
21 county;

22 (c) A designee of the county sheriff;

23 (d) A designee of the county commission;

24 (e) A member of the public;

25 (f) A watermaster, as described in ORS 540.020, who is appointed for a water district in, par-
26 tially in or near the county; and

27 (g) A representative of the county who is knowledgeable about economic development in the
28 county.

29 (2) A county cannabis advisory panel shall provide recommendations to the county commission
30 on at least the following:

31 (a) The use of moneys transferred to the county under ORS 475C.726;

32 (b) Increases in public safety measures related to [*marijuana*] **cannabis** use and [*marijuana*]
33 **cannabis** entities in the county; and

34 (c) Issues presented by the production, processing, wholesaling and distribution of [*marijuana*]
35 **cannabis** in the unincorporated area subject to the jurisdiction of the county.

36 (3)(a) A county cannabis advisory panel shall meet at least quarterly during the time in which
37 the county receives transfers of moneys under ORS 475C.726, beginning not later than the date on
38 which an ordinance described under ORS 475C.726 (4)(d) is proposed by the county.

39 (b) A county that adopts an ordinance described in ORS 475C.726 (4)(d) and that does not ap-
40 point a county cannabis advisory panel under this section is not eligible to receive transfers of
41 moneys under ORS 475C.726.

42 **SECTION 182.** ORS 475C.734 is amended to read:

43 475C.734. (1) All moneys received by the Department of Revenue under ORS 475C.670 to
44 475C.734 shall be deposited in the State Treasury and credited to a suspense account established
45 under ORS 293.445. The department may pay expenses for the administration and enforcement of

1 ORS 475C.670 to 475C.734 out of moneys received from the tax imposed under ORS 475C.674.
 2 Amounts necessary to pay administrative and enforcement expenses are continuously appropriated
 3 to the department from the suspense account.

4 (2) After the payment of administrative and enforcement expenses and refunds or credits arising
 5 from erroneous overpayments, the department shall credit the balance of the moneys received by the
 6 department under this section to the Oregon [*Marijuana*] **Cannabis** Account established under ORS
 7 475C.726.

8 **SECTION 183.** ORS 475C.738 is amended to read:

9 475C.738. As used in ORS 475C.738 to 475C.758:

10 (1) **“Cannabis” has the meaning given that term in ORS 475.005.**

11 (2) **“Cannabis derived product” means cannabinoid products, cannabinoid concentrates**
 12 **and cannabinoid extracts, all as defined in ORS 475C.009.**

13 [(1)] (3) “Deliver” has the meaning given that term in ORS 475.005.

14 [(2)] (4) “Financial institution” means:

15 (a) A financial institution as defined in ORS 706.008.

16 (b) A trust company as defined in ORS 706.008.

17 (c) A money transmission business licensed under ORS 717.200 to 717.320, 717.900 and 717.905.

18 (d) An affiliate of an entity described in paragraph (a), (b) or (c) of this subsection.

19 (e) An employee or agent of an entity described in paragraph (a), (b) or (c) of this subsection.

20 [(3)] (5) “Manufacture” has the meaning given that term in ORS 475.005.

21 [(4) “*Marijuana*” has the meaning given that term in ORS 475.005.]

22 [(5) “*Marijuana-derived product*” means cannabinoid products, cannabinoid concentrates and
 23 cannabinoid extracts, all as defined in ORS 475C.009.]

24 **SECTION 184.** ORS 475C.742, as amended by section 33, chapter 16, Oregon Laws 2024, is
 25 amended to read:

26 475C.742. A financial institution that provides financial services customarily provided by finan-
 27 cial institutions pursuant to powers granted by ORS 717.200 to 717.320, 717.900 and 717.905, the
 28 Bank Act or by ORS chapter 723 to a [*marijuana*] **cannabis** processing site registered under ORS
 29 475C.815, a medical [*marijuana*] **cannabis** dispensary registered under ORS 475C.833, a [*marijuana*]
 30 **cannabis** producer that holds a license under ORS 475C.065, a [*marijuana*] **cannabis** processor that
 31 holds a license under ORS 475C.085, a [*marijuana*] **cannabis** wholesaler that holds a license under
 32 ORS 475C.093, a [*marijuana*] **cannabis** retailer that holds a license under ORS 475C.097, a labora-
 33 tory that holds a license under ORS 475C.548 or a person to whom a permit or temporary permit
 34 has been issued under ORS 475C.273 is exempt from any criminal law of this state an element of
 35 which may be proven by substantiating that a person provides financial services customarily pro-
 36 vided by financial institutions pursuant to powers granted by ORS 717.200 to 717.320, 717.900 and
 37 717.905, the Bank Act or ORS chapter 723 to a person who possesses, delivers or manufactures
 38 [*marijuana*] **cannabis** or [*marijuana*] **cannabis** derived products.

39 **SECTION 185.** ORS 475C.770 is amended to read:

40 475C.770. The people of the State of Oregon find that:

41 (1) Patients and doctors have found [*marijuana*] **cannabis** to be an effective treatment for suf-
 42 fering caused by debilitating medical conditions and, therefore, [*marijuana*] **cannabis** must be
 43 treated like other medicines;

44 (2) Oregonians suffering from debilitating medical conditions should be allowed to use
 45 [*marijuana*] **cannabis** without fear of civil or criminal penalties when a doctor advises that using

1 [marijuana] **cannabis** may provide a medical benefit and when other reasonable restrictions are met
2 regarding that use;

3 (3) ORS 475C.770 to 475C.919 are intended to allow Oregonians with debilitating medical condi-
4 tions who may benefit from the medical use of [marijuana] **cannabis** to be able to freely discuss with
5 doctors the possible risks and benefits associated with the medical use of [marijuana] **cannabis** and
6 to have the benefit of professional medical advice; and

7 (4) ORS 475C.770 to 475C.919 are intended to protect patients and doctors from criminal and
8 civil penalties and are not intended to change current civil and criminal laws governing the use of
9 [marijuana] **cannabis** for nonmedical purposes.

10 **SECTION 186.** ORS 475C.773 is amended to read:

11 475C.773. ORS 475C.770 to 475C.919 shall be known as the Oregon Medical [Marijuana]
12 **Cannabis Act.**

13 **SECTION 187.** ORS 475C.777, as amended by section 105, chapter 73, Oregon Laws 2024, is
14 amended to read:

15 475C.777. As used in ORS 475C.770 to 475C.919:

16 (1) “Attending provider” means one of the following health care providers who has primary re-
17 sponsibility for the care and treatment of a person diagnosed with a debilitating medical condition:

- 18 (a) A physician licensed under ORS chapter 677;
- 19 (b) A physician associate licensed under ORS 677.505 to 677.525;
- 20 (c) A nurse practitioner licensed under ORS 678.375 to 678.390;
- 21 (d) A clinical nurse specialist licensed under ORS 678.370 and 678.372;
- 22 (e) A certified registered nurse anesthetist as defined in ORS 678.010; or
- 23 (f) A naturopathic physician licensed under ORS chapter 685.

24 (2) “Cannabinoid” means any of the chemical compounds that are the active constituents of
25 [marijuana] **cannabis**.

26 (3) “Cannabinoid concentrate” means a substance obtained by separating cannabinoids from
27 [marijuana] **cannabis** by:

- 28 (a) A mechanical extraction process;
- 29 (b) A chemical extraction process using a nonhydrocarbon-based solvent, such as vegetable
30 glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;
- 31 (c) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, provided
32 that the process does not involve the use of high heat or pressure; or
- 33 (d) Any other process identified by the Oregon Health Authority, in consultation with the
34 Oregon Liquor and Cannabis Commission, by rule.

35 (4) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate,
36 cannabinoid extract or dried leaves or flowers of [marijuana] **cannabis** have been incorporated.

37 (5) “Cannabinoid extract” means a substance obtained by separating cannabinoids from
38 [marijuana] **cannabis** by:

- 39 (a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane
40 or propane;
- 41 (b) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, if the
42 process uses high heat or pressure; or
- 43 (c) Any other process identified by the Oregon Health Authority, in consultation with the
44 Oregon Liquor and Cannabis Commission, by rule.

45 **(6)(a) “Cannabis” means the plant Cannabis family Cannabaceae, any part of the plant**

1 **Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.**

2 (b) **“Cannabis” does not include:**

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

4 (B) **Prescription drugs, as that term is defined in ORS 689.005, including those containing**
 5 **one or more cannabinoids, that are approved by the United States Food and Drug Adminis-**
 6 **tration and dispensed by a pharmacy, as defined in ORS 689.005.**

7 (7) **“Cannabis grow site” means a location registered under ORS 475C.792 where cannabis**
 8 **is produced for use by a registry identification cardholder.**

9 (8) **“Cannabis processing site” means a cannabis processing site registered under ORS**
 10 **475C.815 or a site for which an applicant has submitted an application for registration under**
 11 **ORS 475C.815.**

12 [(6)] (9) **“Debilitating medical condition” means:**

13 (a) **Cancer, glaucoma, a degenerative or pervasive neurological condition, positive status for**
 14 **human immunodeficiency virus or acquired immune deficiency syndrome, or a side effect related to**
 15 **the treatment of those medical conditions;**

16 (b) **A medical condition or treatment for a medical condition that produces, for a specific pa-**
 17 **tient, one or more of the following:**

18 (A) **Cachexia;**

19 (B) **Severe pain;**

20 (C) **Severe nausea;**

21 (D) **Seizures, including seizures caused by epilepsy; or**

22 (E) **Persistent muscle spasms, including spasms caused by multiple sclerosis;**

23 (c) **Post-traumatic stress disorder; or**

24 (d) **Any other medical condition or side effect related to the treatment of a medical condition**
 25 **adopted by the Oregon Health Authority by rule or approved by the authority pursuant to a petition**
 26 **filed under ORS 475C.913.**

27 [(7)(a)] (10)(a) **“Delivery” has the meaning given that term in ORS 475.005.**

28 (b) **“Delivery” does not include transfer of [marijuana] cannabis by a registry identification**
 29 **cardholder to another registry identification cardholder if no consideration is paid for the transfer.**

30 [(8)(a)] (11)(a) **“Designated primary caregiver” means an individual:**

31 (A) **Who is 18 years of age or older;**

32 (B) **Who has significant responsibility for managing the well-being of a person who has been**
 33 **diagnosed with a debilitating medical condition; and**

34 (C) **Who is designated as the person responsible for managing the well-being of a person who**
 35 **has been diagnosed with a debilitating medical condition on that person’s application for a registry**
 36 **identification card or in other written notification submitted to the authority.**

37 (b) **“Designated primary caregiver” does not include a person’s attending provider.**

38 [(9)] (12) **“High heat” means a temperature exceeding 180 degrees.**

39 [(10)] (13) **“Immature [marijuana] cannabis plant” means a [marijuana] cannabis plant that is**
 40 **not flowering.**

41 [(11)(a)] **“Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant**
 42 **Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.]**

43 [(b)] **“Marijuana” does not include:]**

44 [(A)] **Industrial hemp, as defined in ORS 571.269; or]**

45 [(B)] **Prescription drugs, as that term is defined in ORS 689.005, including those containing one or**

1 *more cannabinoids, that are approved by the United States Food and Drug Administration and dis-*
 2 *persed by a pharmacy, as defined in ORS 689.005.]*

3 [(12) “*Marijuana grow site*” means a location registered under ORS 475C.792 where marijuana is
 4 produced for use by a registry identification cardholder.]

5 [(13) “*Marijuana processing site*” means a marijuana processing site registered under ORS
 6 475C.815 or a site for which an applicant has submitted an application for registration under ORS
 7 475C.815.]

8 (14) “Mature [*marijuana*] **cannabis** plant” means a [*marijuana*] **cannabis** plant that is not an
 9 immature [*marijuana*] **cannabis** plant.

10 (15)(a) “Medical cannabinoid product” means a cannabinoid edible and any other product in-
 11 tended for human consumption or use, including a product intended to be applied to a person’s skin
 12 or hair, that contains cannabinoids or dried leaves or flowers of [*marijuana*] **cannabis**.

13 (b) “Medical cannabinoid product” does not include:

14 (A) Usable [*marijuana*] **cannabis** by itself;

15 (B) A cannabinoid concentrate by itself;

16 (C) A cannabinoid extract by itself; or

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

18 (16) “Medical [*marijuana*] **cannabis** dispensary” means a medical [*marijuana*] **cannabis**
 19 dispensary registered under ORS 475C.833 or a site for which an applicant has submitted an appli-
 20 cation for registration under ORS 475C.833.

21 (17) “Medical use of [*marijuana*] **cannabis**” means the production, processing, possession, deliv-
 22 ery or administration of [*marijuana*] **cannabis**, or use of paraphernalia used to administer
 23 [*marijuana*] **cannabis**, to mitigate the symptoms or effects of a debilitating medical condition.

24 (18) “Person designated to produce [*marijuana*] **cannabis** by a registry identification
 25 cardholder” means a person designated to produce [*marijuana*] **cannabis** by a registry identification
 26 cardholder under ORS 475C.792 who produces [*marijuana*] **cannabis** for a registry identification
 27 cardholder at an address other than the address where the registry identification cardholder resides
 28 or at an address where more than 12 mature [*marijuana*] **cannabis** plants are produced.

29 (19) “Process” means the compounding or conversion of [*marijuana*] **cannabis** into medical
 30 cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

31 (20) “Production” means:

32 (a) Planting, cultivating, growing, trimming or harvesting [*marijuana*] **cannabis**; or

33 (b) Drying [*marijuana*] **cannabis** leaves or flowers.

34 (21) “Registry identification card” means a document issued by the Oregon Health Authority
 35 under ORS 475C.783 that identifies a person authorized to engage in the medical use of
 36 [*marijuana*] **cannabis** and, if the person has a designated primary caregiver under ORS 475C.789, the
 37 person’s designated primary caregiver.

38 (22) “Registry identification cardholder” means a person to whom a registry identification card
 39 has been issued under ORS 475C.783.

40 (23)(a) “Usable [*marijuana*] **cannabis**” means the dried leaves and flowers of [*marijuana*]
 41 **cannabis**.

42 (b) “Usable [*marijuana*] **cannabis**” does not include:

43 (A) The seeds, stalks and roots of [*marijuana*] **cannabis**; or

44 (B) Waste material that is a by-product of producing [*marijuana*] **cannabis**.

45 (24) “Written documentation” means a statement signed by the attending provider of a person

1 diagnosed with a debilitating medical condition or copies of the person's relevant medical records.

2 **SECTION 188.** ORS 475C.780 is amended to read:

3 475C.780. Nothing in ORS 475C.770 to 475C.919 requires:

4 (1) A government medical assistance program or private health insurer to reimburse a person
5 for costs associated with the medical use of [*marijuana*] **cannabis**; or

6 (2) An employer to accommodate the medical use of [*marijuana*] **cannabis** in the workplace.

7 **SECTION 189.** ORS 475C.783 is amended to read:

8 475C.783. (1) The Oregon Health Authority shall establish a program for the issuance of registry
9 identification cards to applicants who meet the requirements of this section.

10 (2) The authority shall issue a registry identification card to an applicant who is 18 years of age
11 or older if the applicant pays a fee in an amount established by the authority by rule and submits
12 to the authority an application containing the following information:

13 (a) Written documentation from the applicant's attending provider stating that the attending
14 provider has diagnosed the applicant as having a debilitating medical condition and that the medical
15 use of [*marijuana*] **cannabis** may mitigate the symptoms or effects of the applicant's debilitating
16 medical condition;

17 (b) The name, address and date of birth of the applicant;

18 (c) The name, address and telephone number of the applicant's attending provider;

19 (d) Proof of residency, submitted in a form required by the authority by rule;

20 (e) The name and address of the applicant's designated primary caregiver, if the applicant is
21 designating a primary caregiver under ORS 475C.789; and

22 (f) The information described in ORS 475C.792 (2), if the applicant is applying to produce
23 [*marijuana*] **cannabis** or designate another person under ORS 475C.792 to produce [*marijuana*]
24 **cannabis**.

25 (3)(a) The authority shall issue a registry identification card to an applicant who is under 18
26 years of age if:

27 (A) The applicant pays the fee and submits the application described in subsection (2) of this
28 section; and

29 (B) The custodial parent or legal guardian who is responsible for the health care decisions of
30 the applicant signs and submits to the authority a written statement that:

31 (i) The applicant's attending provider has explained to the applicant and to the custodial parent
32 or legal guardian the possible risks and benefits of the medical use of [*marijuana*] **cannabis**;

33 (ii) The custodial parent or legal guardian consents to the medical use of [*marijuana*] **cannabis**
34 by the applicant;

35 (iii) The custodial parent or legal guardian agrees to serve as the applicant's designated primary
36 caregiver; and

37 (iv) The custodial parent or legal guardian agrees to control the acquisition, dosage and fre-
38 quency of the medical use of [*marijuana*] **cannabis** by the applicant.

39 (b) An applicant who is under 18 years of age may not apply to produce [*marijuana*] **cannabis**
40 under subsection (2)(f) of this section.

41 (4) The authority shall:

42 (a) On the date on which the authority receives an application described in subsection (2) of this
43 section, issue a receipt to the applicant verifying that the authority received an application under
44 subsection (2) or (3) of this section; and

45 (b) Approve or deny an application received under subsection (2) or (3) of this section within

1 30 days after receiving the application.

2 (5)(a) If the authority approves an application, the authority shall issue a serially numbered
3 registry identification card to the applicant within five days after approving the application. The
4 registry identification card must include the following information:

5 (A) The registry identification cardholder's name, address and date of birth;

6 (B) The issuance date and expiration date of the registry identification card;

7 (C) If the registry identification cardholder designated a primary caregiver under ORS 475C.789,
8 the name and address of the registry identification cardholder's designated primary caregiver; and

9 (D) Any other information required by the authority by rule.

10 (b) If the registry identification cardholder designated a primary caregiver under ORS 475C.789,
11 the authority shall issue an identification card to the designated primary caregiver. The identifica-
12 tion card must contain the information required by paragraph (a) of this subsection.

13 (6) A registry identification cardholder shall:

14 (a) In a form and manner prescribed by the authority, notify the authority of any change con-
15 cerning the registry identification cardholder's:

16 (A) Name, address or attending provider;

17 (B) Designated primary caregiver, including the designation of a primary caregiver made at a
18 time other than at the time of applying for or renewing a registry identification card; or

19 (C) Person responsible for a [*marijuana*] **cannabis** grow site, including the designation of a
20 person responsible for a [*marijuana*] **cannabis** grow site made at a time other than at the time of
21 applying for or renewing a registry identification card.

22 (b) Annually renew the registry identification card by paying a fee in an amount established by
23 the authority by rule and submitting to the authority an application that contains the following in-
24 formation:

25 (A) Updated written documentation from the registry identification cardholder's attending pro-
26 vider stating that the registry identification cardholder still has a debilitating medical condition and
27 that the medical use of [*marijuana*] **cannabis** may mitigate the symptoms or effects of the registry
28 identification cardholder's debilitating medical condition;

29 (B) The information described in subsection (2)(b) to (f) of this section; and

30 (C) If the registry identification cardholder is under 18 years of age, a statement signed by the
31 custodial parent or legal guardian of the registry identification cardholder that meets the require-
32 ments of subsection (3) of this section.

33 (7) The authority shall:

34 (a) On the date on which the authority receives an application described in subsection (2) of this
35 section, issue a receipt to the applicant verifying that the authority received an application under
36 subsection (6)(b) of this section; and

37 (b) Approve or deny an application received under subsection (6)(b) of this section within 30
38 days after receiving the application.

39 (8)(a) If the registry identification cardholder's attending provider determines that the registry
40 identification cardholder no longer has a debilitating medical condition, or determines that the
41 medical use of [*marijuana*] **cannabis** is contraindicated for the registry identification cardholder's
42 debilitating medical condition, the registry identification cardholder shall return the registry iden-
43 tification card to the authority within 30 calendar days after receiving notice of the determination.

44 (b) If, because of circumstances beyond the control of the registry identification cardholder, a
45 registry identification cardholder is unable to obtain a second medical opinion about the registry

1 identification cardholder's continuing eligibility for the medical use of [*marijuana*] **cannabis** before
2 having to return the registry identification card to the authority, the authority may grant the reg-
3 istry identification cardholder additional time to obtain a second medical opinion.

4 (9)(a) The authority may deny an application for a registry identification card or an application
5 to renew a registry identification card, or may suspend or revoke a registry identification card, if:

6 (A) The applicant or registry identification cardholder does not provide the information required
7 by this section;

8 (B) The authority determines that the applicant or registry identification cardholder provided
9 false information; or

10 (C) The authority determines that the applicant or registry identification cardholder violated a
11 provision of ORS 475C.770 to 475C.919 or a rule adopted under ORS 475C.770 to 475C.919.

12 (b) If a registry identification card is revoked, any associated identification card issued under
13 subsection (5)(b) of this section, or [*marijuana*] **cannabis** grow site registration card issued under
14 ORS 475C.792 (6), shall also be revoked.

15 (c) A person whose application is denied, or whose registry identification card is revoked, under
16 this subsection may not reapply for a registry identification card for six months from the date of the
17 denial or revocation unless otherwise authorized by the authority.

18 (10)(a) The authority may deny a designation of a primary caregiver made under ORS 475C.789,
19 or suspend or revoke an associated identification card issued under subsection (5)(b) of this section,
20 if the authority determines that the designee or the registry identification cardholder violated a
21 provision of ORS 475C.770 to 475C.919 or a rule adopted under ORS 475C.770 to 475C.919.

22 (b) A person whose designation has been denied, or whose identification card has been revoked,
23 under this subsection may not be designated as a primary caregiver under ORS 475C.789 for six
24 months from the date of the denial or revocation unless otherwise authorized by the authority.

25 (11)(a) Notwithstanding subsection (2) or (6)(b) of this section, if an applicant for a registry
26 identification card, or a registry identification cardholder applying for renewal of a registry iden-
27 tification card, submits to the authority proof of having served in the Armed Forces of the United
28 States, the authority:

29 (A) May not impose a fee that is greater than \$20 for the issuance or renewal of the registry
30 identification card; and

31 (B) Must waive the fee for the issuance or renewal of the registry identification card if the ap-
32 plicant submits proof of having a United States Department of Veterans Affairs total disability rat-
33 ing of at least 50 percent as a result of an injury or illness that the veteran incurred, or that was
34 aggravated, during active military service and who received a discharge or release under other than
35 dishonorable conditions.

36 (b) Notwithstanding subsection (6)(b)(A) of this section, the requirement that a registry identifi-
37 cation cardholder include in the application to renew a registry identification card updated written
38 documentation from the cardholder's attending provider regarding the cardholder's continuing de-
39 bilitating medical condition does not apply to a service-disabled veteran who:

40 (A) Has been assigned a total and permanent disability rating for compensation that rates the
41 veteran as unable to secure or follow a substantially gainful occupation as a result of service-
42 connected disabilities as described in 38 C.F.R. 4.16; or

43 (B) Has a United States Department of Veterans Affairs total disability rating of 100 percent
44 as a result of an injury or illness that the veteran incurred, or that was aggravated, during active
45 military service and who received a discharge or release under other than dishonorable conditions.

1 (12) For any purpose described in ORS 475C.770 to 475C.919, including exemption from criminal
 2 liability under ORS 475C.883, a receipt issued by the authority verifying that an application has
 3 been submitted to the authority under subsection (2), (3) or (6)(b) of this section has the same legal
 4 effect as a registry identification card for 30 days following the date on which the receipt was issued
 5 to the applicant.

6 **SECTION 190.** ORS 475C.786 is amended to read:

7 475C.786. A designated primary caregiver may assist the designating registry identification
 8 cardholder with any matter related to the medical use of [*marijuana*] **cannabis**, including:

9 (1) The production of [*marijuana*] **cannabis** at the address provided by the registry identification
 10 cardholder to the Oregon Health Authority pursuant to ORS 475C.783 (2)(f); and

11 (2) The processing of [*marijuana*] **cannabis** into cannabinoid concentrates or medical
 12 cannabinoid products.

13 **SECTION 191.** ORS 475C.792 is amended to read:

14 475C.792. (1)(a) The Oregon Health Authority shall establish by rule a [*marijuana*] **cannabis**
 15 grow site registration system to track and regulate the production of [*marijuana*] **cannabis** by a
 16 registry identification cardholder or a person designated by the registry identification cardholder to
 17 produce [*marijuana*] **cannabis** for the registry identification cardholder.

18 (b) Except as provided in paragraph (c) of this subsection, a person may not produce
 19 [*marijuana*] **cannabis** unless the person is registered under this section.

20 (c) Paragraph (b) of this subsection does not apply to the production of [*marijuana*] **cannabis**
 21 as provided in ORS 475C.005 to 475C.525 or as otherwise provided for by the statutory laws of this
 22 state.

23 (2) Rules adopted under this section must require an applicant for a registry identification card,
 24 or a registry identification cardholder who produces [*marijuana*] **cannabis** or who designates an-
 25 other person to produce [*marijuana*] **cannabis**, to submit an application to the authority containing
 26 the following information at the time of making an application under ORS 475C.783 (2), renewing a
 27 registry identification card under ORS 475C.783 (6)(b), or notifying the authority of a change under
 28 ORS 475C.783 (6)(a):

29 (a) The name of the person responsible for the [*marijuana*] **cannabis** grow site;

30 (b) Proof that the person is 21 years of age or older;

31 (c) If the registry identification cardholder or the person responsible for the [*marijuana*]
 32 **cannabis** grow site is not the owner of the premises of the [*marijuana*] **cannabis** grow site, signed
 33 informed consent from the owner of the premises to register the premises as a [*marijuana*] **cannabis**
 34 grow site;

35 (d) The address of the [*marijuana*] **cannabis** grow site; and

36 (e) Any other information that the authority considers necessary to track the production of
 37 [*marijuana*] **cannabis** under ORS 475C.770 to 475C.919.

38 (3)(a) The authority shall conduct a criminal records check under ORS 181A.195 of any person
 39 whose name is submitted under this section as the person responsible for a [*marijuana*] **cannabis**
 40 grow site.

41 (b) A person convicted of a Class A or Class B felony under ORS 475.752 to 475.920 for the
 42 manufacture or delivery of a controlled substance in Schedule I or Schedule II may not act as or
 43 be designated a person responsible for a [*marijuana*] **cannabis** grow site for two years from the date
 44 of conviction.

45 (c) A person convicted more than once of a Class A or Class B felony under ORS 475.752 to

1 475.920 for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may
2 not act as or be designated a person responsible for a [marijuana] **cannabis** grow site.

3 (4) Subject to subsection (11) of this section, the authority shall issue a [marijuana] **cannabis**
4 grow site registration card if the requirements of subsections (2) and (3) of this section are met.

5 (5) A person who holds a [marijuana] **cannabis** grow site registration card under this section
6 must display the card at the [marijuana] **cannabis** grow site at all times.

7 (6) A [marijuana] **cannabis** grow site registration card must be obtained and posted for each
8 registry identification cardholder for whom [marijuana] **cannabis** is being produced at a
9 [marijuana] **cannabis** grow site.

10 (7)(a) All seeds, immature [marijuana] **cannabis** plants, mature [marijuana] **cannabis** plants and
11 usable [marijuana] **cannabis** associated with the production of [marijuana] **cannabis** for a registry
12 identification cardholder by a person responsible for a [marijuana] **cannabis** grow site are the
13 property of the registry identification cardholder.

14 (b) All seeds, immature [marijuana] **cannabis** plants, mature [marijuana] **cannabis** plants and
15 usable [marijuana] **cannabis** associated with the production of [marijuana] **cannabis** for a registry
16 identification cardholder by a person responsible for a [marijuana] **cannabis** grow site must be
17 transferred to the registry identification cardholder upon the request of the registry identification
18 cardholder.

19 (c) All usable [marijuana] **cannabis** associated with the production of [marijuana] **cannabis** for
20 a registry identification cardholder by a person responsible for a [marijuana] **cannabis** grow site
21 must be transferred to a [marijuana] **cannabis** processing site upon the request of the registry
22 identification cardholder. For purposes of this paragraph, a request to transfer usable [marijuana]
23 **cannabis** constitutes an assignment of the right to possess the usable [marijuana] **cannabis**.

24 (d) All seeds, immature [marijuana] **cannabis** plants and usable [marijuana] **cannabis** associated
25 with the production of [marijuana] **cannabis** for a registry identification cardholder by a person
26 responsible for a [marijuana] **cannabis** grow site must be transferred to a medical [marijuana]
27 **cannabis** dispensary upon request of the registry identification cardholder. For purposes of this
28 paragraph, a request to transfer seeds, immature [marijuana] **cannabis** plants or usable
29 [marijuana] **cannabis** constitutes an assignment of the right to possess the seeds, immature
30 [marijuana] **cannabis** plants or usable [marijuana] **cannabis**.

31 (e) Information related to transfers made under this subsection must be submitted to the au-
32 thority in the manner required by ORS 475C.795.

33 (8) A registry identification cardholder, or the designated caregiver of a registry identification
34 cardholder, may reimburse a person responsible for a [marijuana] **cannabis** grow site for all costs
35 associated with the production of [marijuana] **cannabis** for the registry identification cardholder.

36 (9) The authority may inspect:

37 (a) The [marijuana] **cannabis** grow site of a person designated to produce [marijuana] **cannabis**
38 by a registry identification cardholder to ensure compliance with this section and ORS 475C.795 and
39 475C.806 and any rule adopted under this section and ORS 475C.795 and 475C.806; and

40 (b) The records of the [marijuana] **cannabis** grow site of a person designated to produce
41 [marijuana] **cannabis** by a registry identification cardholder to ensure compliance with this section
42 and ORS 475C.795 and any rule adopted under this section and ORS 475C.795.

43 (10) The authority may refuse to register a registry identification cardholder or a designee under
44 this section or may suspend or revoke the registration of a person responsible for a [marijuana]
45 **cannabis** grow site if the authority determines that the applicant or the person responsible for a

1 [marijuana] **cannabis** grow site violated a provision of ORS 475C.770 to 475C.919, a rule adopted
2 under ORS 475C.770 to 475C.919 or an ordinance adopted pursuant to ORS 475C.827.

3 (11) The authority may require a person responsible for a [marijuana] **cannabis** grow site, prior
4 to issuing a [marijuana] **cannabis** grow site registration card under subsection (4) of this section,
5 to pay a fee reasonably calculated to pay costs incurred under this section and ORS 475C.795 and
6 475C.856.

7 **SECTION 192.** Section 8, chapter 103, Oregon Laws 2018, is amended to read:

8 **Sec. 8.** The fact that a [marijuana] **cannabis** grow site registered under ORS 475B.810
9 [renumbered 475C.792] is subject to the provisions of ORS 475B.895 [renumbered 475C.871] does not,
10 by itself, mean that the [marijuana] **cannabis** grow site is a commercial operation for purposes of
11 state law.

12 **SECTION 193.** ORS 475C.794 is amended to read:

13 475C.794. (1) For purposes of ORS 475C.770 to 475C.919, if a [marijuana] **cannabis** grow site has
14 a physical United States Postal Service address, an application filed for a [marijuana] **cannabis**
15 grow site registration card under ORS 475C.792 must include the physical address. If the grow site
16 does not have a physical United States Postal Service address, the application must include:

17 (a) An assessor's map number with a map showing the exact location of the grow site;

18 (b) The name of the city or, if outside of a city, the name of the county in which the grow site
19 is located;

20 (c) The zip code for the location; and

21 (d) One or more of the following for the location:

22 (A) Longitude and latitude coordinates;

23 (B) Township coordinates;

24 (C) Global positioning system coordinates; or

25 (D) The tax lot number.

26 (2) For purposes of ORS 475C.792, the Oregon Health Authority shall accept the forms of evi-
27 dence described in subsection (1) of this section for the purpose of establishing the address where
28 a [marijuana] **cannabis** grow site is located.

29 **SECTION 194.** ORS 475C.795 is amended to read:

30 475C.795. (1) A person designated to produce [marijuana] **cannabis** by a registry identification
31 cardholder must submit to the Oregon Health Authority, in a form and manner established by the
32 authority by rule, the following information related to the production of [marijuana] **cannabis**:

33 (a) The number of mature [marijuana] **cannabis** plants and immature [marijuana] **cannabis**
34 plants, the amount of [marijuana] **cannabis** leaves and flowers being dried, and the amount of usable
35 [marijuana] **cannabis**, in the person's possession;

36 (b) The number of mature [marijuana] **cannabis** plants and immature [marijuana] **cannabis**
37 plants, and the amount of usable [marijuana] **cannabis**, that the person transfers to each registry
38 identification cardholder for whom the person produces [marijuana] **cannabis**;

39 (c) The amount of usable [marijuana] **cannabis** that the person transfers to each [marijuana]
40 **cannabis** processing site; and

41 (d) The number of immature [marijuana] **cannabis** plants, and the amount of usable
42 [marijuana] **cannabis**, that the person transfers to each medical [marijuana] **cannabis** dispensary.

43 (2) The authority shall by rule require a person designated to produce [marijuana] **cannabis** by
44 a registry identification cardholder to submit the information described in subsection (1) of this
45 section once each month. The authority may not employ any method other than that described in

1 this section to obtain information related to the production of [*marijuana*] **cannabis** from a person
2 designated to produce [*marijuana*] **cannabis** by a registry identification cardholder.

3 (3) In addition to submitting the information as required by subsection (1) of this section, a
4 person designated to produce [*marijuana*] **cannabis** by a registry identification cardholder must keep
5 a record of the information described in subsection (1) of this section for two years after the date
6 on which the person submits the information to the authority.

7 **SECTION 195.** ORS 475C.797 is amended to read:

8 475C.797. (1) Notwithstanding ORS 475C.795 (2), a person designated to produce [*marijuana*]
9 **cannabis** by a registry identification cardholder may delegate the person's duty to submit to the
10 Oregon Health Authority the information described in ORS 475C.795 to another person designated
11 to produce [*marijuana*] **cannabis** by a registry identification cardholder if the [*marijuana*] **cannabis**
12 grow sites for which the persons are required to submit the information are located at the same
13 address.

14 (2) A person to whom the duty described in subsection (1) of this section is delegated must in-
15 form the authority of the delegation in a form and manner prescribed by the authority.

16 (3) In adopting rules prescribing the form and manner in which information is submitted to the
17 authority under ORS 475C.795, the authority shall adopt rules that lessen the administrative burden
18 on persons to whom the duty described in subsection (1) of this section is delegated.

19 **SECTION 196.** ORS 475C.798 is amended to read:

20 475C.798. Notwithstanding ORS 475C.792 (7), a person responsible for a [*marijuana*] **cannabis**
21 grow site may enter into an agreement with a registry identification cardholder under which the
22 registry identification cardholder assigns, to the person responsible for the [*marijuana*] **cannabis**
23 grow site, a portion of the right to possess the seeds, immature [*marijuana*] **cannabis** plants and
24 usable [*marijuana*] **cannabis** that are the property of the registry identification cardholder.

25 **SECTION 197.** ORS 475C.800 is amended to read:

26 475C.800. (1) Subject to subsection (2) of this section, a [*marijuana*] **cannabis** grow site may
27 transfer up to 20 pounds of usable [*marijuana*] **cannabis** per year to a person that holds a license
28 issued under ORS 475C.085 or 475C.093, provided that:

29 (a) The transfer is tracked using the system developed and maintained under ORS 475C.177;

30 (b) More than 12 mature [*marijuana*] **cannabis** plants are produced at the [*marijuana*] **cannabis**
31 grow site;

32 (c) The usable [*marijuana*] **cannabis** has been assigned to the person responsible for the
33 [*marijuana*] **cannabis** grow site pursuant to ORS 475C.798;

34 (d) The usable [*marijuana*] **cannabis** has been tested in accordance with the provisions of ORS
35 475C.540 to 475C.586; and

36 (e) The [*marijuana*] **cannabis** grow site first registered with the Oregon Health Authority under
37 ORS 475C.792 on or before August 2, 2017.

38 (2) If the Oregon Liquor and Cannabis Commission determines that the supply of [*marijuana*]
39 **cannabis** items offered for sale by [*marijuana*] **cannabis** retailers that hold a license issued under
40 ORS 475C.097 is exceeding consumer demand for the [*marijuana*] **cannabis** items, and if the com-
41 mission determines that the market for [*marijuana*] **cannabis** items in this state will not self-correct
42 for the excess, the commission may issue an order that temporarily reduces the amount of usable
43 [*marijuana*] **cannabis** that may be transferred pursuant to this section or that temporarily suspends
44 the ability to transfer usable [*marijuana*] **cannabis** pursuant to this section.

45 **SECTION 198.** ORS 475C.803 is amended to read:

1 475C.803. ORS 475C.871 does not authorize the Oregon Health Authority or the Oregon Liquor
2 and Cannabis Commission to require a [*marijuana*] **cannabis** grow site to use a security system or
3 any component of a security system, such as video surveillance, an alarm system, sensors or physical
4 barriers.

5 **SECTION 199.** ORS 475C.806 is amended to read:

6 475C.806. (1)(a) A registry identification cardholder and the designated primary caregiver of the
7 registry identification cardholder may jointly possess:

- 8 (A) Six or fewer mature [*marijuana*] **cannabis** plants; and
- 9 (B) Twelve or fewer immature [*marijuana*] **cannabis** plants.

10 (b)(A) Unless an address is the [*marijuana*] **cannabis** grow site of a person designated to
11 produce [*marijuana*] **cannabis** by a registry identification cardholder, the address where a registry
12 identification cardholder or the primary caregiver of a registry identification cardholder produces
13 [*marijuana*] **cannabis** may be used to produce not more than:

14 (i) Six or fewer mature [*marijuana*] **cannabis** plants per registry identification cardholder, up
15 to 12 mature [*marijuana*] **cannabis** plants; and

16 (ii) Twelve or fewer immature [*marijuana*] **cannabis** plants per registry identification
17 cardholder, up to 24 immature [*marijuana*] **cannabis** plants.

18 (B) Except as provided in subparagraph (C) of this paragraph, an address that is subject to this
19 paragraph may not be used to produce plants in the genus *Cannabis* within the plant family
20 Cannabaceae pursuant to ORS 475C.305.

21 (C) Subject to subparagraph (D) of this paragraph, an address that is subject to this paragraph
22 may be used to produce plants in the genus *Cannabis* within the plant family Cannabaceae pursuant
23 to ORS 475C.305 if a person other than a registry identification cardholder who is using the address
24 to produce [*marijuana*] **cannabis** plants pursuant to ORS 475C.770 to 475C.919 resides at the ad-
25 dress.

26 (D) An address that is subject to this paragraph may not be used to produce more than 12 total
27 mature [*marijuana*] **cannabis** plants.

28 (2)(a) A person may be designated to produce [*marijuana*] **cannabis** under ORS 475C.792 by no
29 more than eight registry identification cardholders.

30 (b) A person responsible for a [*marijuana*] **cannabis** grow site may produce for a registry iden-
31 tification cardholder who designates the person to produce [*marijuana*] **cannabis** no more than:

- 32 (A) Six mature [*marijuana*] **cannabis** plants;
- 33 (B) 12 immature [*marijuana*] **cannabis** plants that are 24 inches or more in height; and

34 (C) The amount, established by the Oregon Health Authority by rule, of immature [*marijuana*]
35 **cannabis** plants that are less than 24 inches in height.

36 (3) If the address of a person responsible for a [*marijuana*] **cannabis** grow site registered under
37 ORS 475C.792 is located within city limits in an area zoned for residential use:

38 (a) Except as provided in paragraph (b) of this subsection, no more than the following amounts
39 of [*marijuana*] **cannabis** plants may be produced at the address:

- 40 (A) 12 mature [*marijuana*] **cannabis** plants;
- 41 (B) 24 immature [*marijuana*] **cannabis** plants that are 24 inches or more in height; and
- 42 (C) The amount, established by the authority by rule, of immature [*marijuana*] **cannabis** plants

43 that are less than 24 inches in height; or

44 (b) Subject to subsection (5) of this section, if each person responsible for a [*marijuana*]
45 **cannabis** grow site located at the address first registered with the authority under ORS 475C.792

1 before January 1, 2015, no more than the following amounts of *[marijuana]* **cannabis** plants may be
2 produced at the address:

3 (A) The amount of mature *[marijuana]* **cannabis** plants located at that address on December 31,
4 2014, in excess of 12 mature *[marijuana]* **cannabis** plants, not to exceed 24 mature *[marijuana]*
5 **cannabis** plants;

6 (B) 48 immature *[marijuana]* **cannabis** plants that are 24 inches or more in height; and

7 (C) The amount, established by the authority by rule, of immature *[marijuana]* **cannabis** plants
8 that are less than 24 inches in height.

9 (4) If the address of a person responsible for a *[marijuana]* **cannabis** grow site registered under
10 ORS 475C.792 is located in an area other than an area described in subsection (3) of this section:

11 (a) Except as provided in paragraph (b) of this subsection, no more than the following amounts
12 of *[marijuana]* **cannabis** plants may be produced at the address:

13 (A) 48 mature *[marijuana]* **cannabis** plants;

14 (B) 96 immature *[marijuana]* **cannabis** plants that are 24 inches or more in height; and

15 (C) The amount, established by the authority by rule, of immature *[marijuana]* **cannabis** plants
16 that are less than 24 inches in height; or

17 (b) Subject to subsections (5) and (6) of this section, if each person responsible for a
18 *[marijuana]* **cannabis** grow site located at the address first registered with the authority under ORS
19 475C.792 before January 1, 2015, no more than the following amounts of *[marijuana]* **cannabis** plants
20 may be produced at the address:

21 (A) The amount of mature *[marijuana]* **cannabis** plants located at that address on December 31,
22 2014, in excess of 48 mature *[marijuana]* **cannabis** plants, not to exceed 96 mature *[marijuana]*
23 **cannabis** plants;

24 (B) 192 immature *[marijuana]* **cannabis** plants that are 24 inches or more in height; and

25 (C) The amount, established by the authority by rule, of immature *[marijuana]* **cannabis** plants
26 that are less than 24 inches in height.

27 (5)(a) If the authority suspends or revokes the registration of a person responsible for a
28 *[marijuana]* **cannabis** grow site that is located at an address described in subsection (3)(b) of this
29 section, no more than the following amounts of *[marijuana]* **cannabis** plants may subsequently be
30 produced at any address described in subsection (3) of this section at which the person responsible
31 for the *[marijuana]* **cannabis** grow site produces *[marijuana]* **cannabis**:

32 (A) 12 mature *[marijuana]* **cannabis** plants;

33 (B) 24 immature *[marijuana]* **cannabis** plants that are 24 inches or more in height; and

34 (C) The amount, established by the authority by rule, of immature *[marijuana]* **cannabis** plants
35 that are less than 24 inches in height.

36 (b) If the authority suspends or revokes the registration of a person responsible for a
37 *[marijuana]* **cannabis** grow site that is located at an address described in subsection (4)(b) of this
38 section, no more than the following amounts of *[marijuana]* **cannabis** plants may subsequently be
39 produced at any address described in subsection (4) of this section at which the person responsible
40 for the *[marijuana]* **cannabis** grow site produces *[marijuana]* **cannabis**:

41 (A) 48 mature *[marijuana]* **cannabis** plants;

42 (B) 96 immature *[marijuana]* **cannabis** plants that are 24 inches or more in height; and

43 (C) The amount, established by the authority by rule, of immature *[marijuana]* **cannabis** plants
44 that are less than 24 inches in height.

45 (6) If a registry identification cardholder who designated a person to produce *[marijuana]*

1 **cannabis** for the registry identification cardholder pursuant to ORS 475C.792 terminates the desig-
 2 nation, the person responsible for the [*marijuana*] **cannabis** grow site whose designation has been
 3 terminated may not be designated to produce [*marijuana*] **cannabis** by another registry identifica-
 4 tion cardholder, except that the person may be designated by another registry identification
 5 cardholder if no more than 48 mature [*marijuana*] **cannabis** plants and no more than 96 immature
 6 [*marijuana*] **cannabis** plants that are 24 or more inches in height are produced at the address for
 7 the [*marijuana*] **cannabis** grow site at which the person produces [*marijuana*] **cannabis**.

8 (7) Subject to the limits described in subsections (2) to (6) of this section, if multiple persons
 9 responsible for a [*marijuana*] **cannabis** grow site under ORS 475C.792 are located at the same ad-
 10 dress, the persons designated to produce [*marijuana*] **cannabis** by registry identification cardholders
 11 who are located at that address may collectively produce [*marijuana*] **cannabis** plants for any
 12 number of registry identification cardholders who designate the persons to produce [*marijuana*]
 13 **cannabis**.

14 (8) If a law enforcement officer determines that there is a number of [*marijuana*] **cannabis**
 15 plants at an address in excess of the quantities specified in this section, or that an address is being
 16 used to produce a number of [*marijuana*] **cannabis** plants in excess of the quantities specified in
 17 subsection (1)(b) of this section, the law enforcement officer may confiscate only the excess number
 18 of [*marijuana*] **cannabis** plants.

19 **SECTION 200.** ORS 475C.809 is amended to read:

20 475C.809. (1) Except as provided in subsection (2) of this section, a registry identification
 21 cardholder and the designated primary caregiver of the registry identification cardholder may jointly
 22 possess no more than 24 ounces of usable [*marijuana*] **cannabis**.

23 (2) Subject to subsection (3) of this section, a person designated to produce [*marijuana*] **cannabis**
 24 by a registry identification cardholder may possess the amount of usable [*marijuana*] **cannabis** that
 25 the person harvests from the person's mature [*marijuana*] **cannabis** plants, provided that the person
 26 may not possess usable [*marijuana*] **cannabis** in excess of the amount of usable [*marijuana*]
 27 **cannabis** in the person's possession as reported to the Oregon Health Authority under ORS
 28 475C.795.

29 (3) A person designated to produce [*marijuana*] **cannabis** by a registry identification cardholder
 30 may not possess usable [*marijuana*] **cannabis** in excess of:

31 (a) For a [*marijuana*] **cannabis** grow site located outdoors, 12 pounds of usable [*marijuana*]
 32 **cannabis** per mature [*marijuana*] **cannabis** plant; or

33 (b) For a [*marijuana*] **cannabis** grow site located indoors, six pounds of usable [*marijuana*]
 34 **cannabis** per mature [*marijuana*] **cannabis** plant.

35 **SECTION 201.** ORS 475C.812 is amended to read:

36 475C.812. A person to whom a registry identification card has been issued under ORS 475C.783
 37 (5)(a), an identification card has been issued under ORS 475C.783 (5)(b), or a [*marijuana*] **cannabis**
 38 grow site registration card has been issued under ORS 475C.792, may not possess [*marijuana*]
 39 **cannabis**, usable [*marijuana*] **cannabis**, medical cannabinoid products, cannabinoid concentrates or
 40 cannabinoid extracts in a location other than the address on file with the Oregon Health Authority
 41 unless the person is carrying the card.

42 **SECTION 202.** ORS 475C.815 is amended to read:

43 475C.815. (1)(a) The Oregon Health Authority shall establish by rule a [*marijuana*] **cannabis**
 44 processing site registration system to track and regulate the processing of [*marijuana*] **cannabis** by
 45 a person responsible for a [*marijuana*] **cannabis** processing site.

1 (b) Except as provided in paragraph (c) of this subsection, a person may not process
2 *[marijuana]* **cannabis** unless the person is registered under this section.

3 (c) Paragraph (b) of this subsection does not apply to the processing of *[marijuana]* **cannabis**
4 as provided in ORS 475C.005 to 475C.525 or as otherwise provided for by the statutory laws of this
5 state.

6 (2) The registration system established under subsection (1) of this section must require an ap-
7 plicant for a *[marijuana]* **cannabis** processing site to submit an application to the authority that
8 includes:

9 (a) The name of the individual who owns the *[marijuana]* **cannabis** processing site or, if a
10 business entity owns the *[marijuana]* **cannabis** processing site, the name of each individual who has
11 a financial interest in the *[marijuana]* **cannabis** processing site;

12 (b) The name of the individual or individuals responsible for the *[marijuana]* **cannabis** process-
13 ing site, if different from the name of the individual who owns the *[marijuana]* **cannabis** processing
14 site;

15 (c) The address of the *[marijuana]* **cannabis** processing site;

16 (d) Proof that each individual responsible for the *[marijuana]* **cannabis** processing site is 21
17 years of age or older;

18 (e) Documentation, as required by the authority by rule, that demonstrates the *[marijuana]*
19 **cannabis** processing site meets the requirements of subsection (3) of this section; and

20 (f) Any other information that the authority considers necessary.

21 (3) To qualify for registration under this section, a *[marijuana]* **cannabis** processing site:

22 (a) May not be located in an area that is zoned for residential use if the *[marijuana]* **cannabis**
23 processing site processes cannabinoid extracts;

24 (b) Must be registered as a business, or have filed an application to register as a business, with
25 the office of the Secretary of State; and

26 (c) Must meet the requirements of any rule adopted by the authority under subsection (10) of
27 this section.

28 (4)(a) The authority shall conduct a criminal records check under ORS 181A.195 for each indi-
29 vidual named in an application under subsection (2) of this section.

30 (b) An individual convicted for the manufacture or delivery of a controlled substance in Sched-
31 ular I or Schedule II may not own or be responsible for a *[marijuana]* **cannabis** processing site for
32 two years from the date the individual is convicted.

33 (c) An individual convicted more than once for the manufacture or delivery of a controlled
34 substance in Schedule I or Schedule II may not own or be responsible for a *[marijuana]* **cannabis**
35 processing site.

36 (5) If a person submits the application required under subsection (2) of this section, if the
37 *[marijuana]* **cannabis** processing site identified in the application meets the requirements of this
38 section and any rules adopted under this section and if each individual named in the application
39 passes the criminal records check required under subsection (4) of this section, the authority shall
40 register the *[marijuana]* **cannabis** processing site and issue proof of registration. Proof of registra-
41 tion must be displayed on the premises of the *[marijuana]* **cannabis** processing site at all times.

42 (6) A *[marijuana]* **cannabis** processing site that is registered under this section is not required
43 to register with the State Board of Pharmacy under ORS 475.125.

44 (7) The individual or individuals responsible for a *[marijuana]* **cannabis** processing site shall
45 maintain documentation of each transfer of usable *[marijuana]* **cannabis**, medical cannabinoid pro-

1 ducts, cannabinoid concentrates and cannabinoid extracts.

2 (8) The authority may inspect:

3 (a) The premises of a proposed [*marijuana*] **cannabis** processing site or a registered
4 [*marijuana*] **cannabis** processing site to ensure compliance with this section and ORS 475C.821 and
5 475C.824 and any rules adopted under this section and ORS 475C.821 and 475C.824; and

6 (b) The records of a registered [*marijuana*] **cannabis** processing site to ensure compliance with
7 subsection (7) of this section.

8 (9) Subject to the provisions of ORS chapter 183, the authority may refuse to register an appli-
9 cant under this section or may suspend or revoke the registration of a [*marijuana*] **cannabis** pro-
10 cessing site if the authority determines that the applicant, the owner of the [*marijuana*] **cannabis**
11 processing site, a person responsible for the [*marijuana*] **cannabis** processing site, or an employee
12 of the [*marijuana*] **cannabis** processing site, violated a provision of ORS 475C.770 to 475C.919, a rule
13 adopted under ORS 475C.770 to 475C.919 or an ordinance adopted pursuant to ORS 475C.897.

14 (10) The authority shall adopt rules to implement this section, including rules that:

15 (a) Require a registered [*marijuana*] **cannabis** processing site to annually renew the registration
16 for that site;

17 (b) Establish fees for registering, and renewing the registration of, a [*marijuana*] **cannabis** pro-
18 cessing site;

19 (c) Require that medical cannabinoid products, cannabinoid concentrates and cannabinoid ex-
20 tracts transferred by a [*marijuana*] **cannabis** processing site be tested to ensure the public health
21 and safety; and

22 (d) Impose any other standard on the operation of a [*marijuana*] **cannabis** processing site to
23 ensure the public health and safety.

24 **SECTION 203.** ORS 475C.821 is amended to read:

25 475C.821. (1) The Oregon Health Authority shall require by rule a [*marijuana*] **cannabis** pro-
26 cessing site to submit to the authority for inclusion in the database developed and maintained pur-
27 suant to ORS 475C.856 the following information:

28 (a) The amount of usable [*marijuana*] **cannabis** transferred to the [*marijuana*] **cannabis** pro-
29 cessing site;

30 (b) The amount and type of medical cannabinoid products transferred by the [*marijuana*]
31 **cannabis** processing site;

32 (c) The amount and type of cannabinoid concentrates transferred by the [*marijuana*] **cannabis**
33 processing site; and

34 (d) The amount and type of cannabinoid extracts transferred by the [*marijuana*] **cannabis** pro-
35 cessing site.

36 (2) The authority by rule may require a [*marijuana*] **cannabis** processing site to submit to the
37 authority for inclusion in the database developed and maintained pursuant to ORS 475C.856 infor-
38 mation that is in addition to the information described in subsection (1) of this section as the au-
39 thority considers necessary to fulfill the authority's duties under ORS 475C.815 (1). The authority
40 may not employ any method other than that described in this section to obtain information from a
41 [*marijuana*] **cannabis** processing site.

42 **SECTION 204.** ORS 475C.824 is amended to read:

43 475C.824. (1) A [*marijuana*] **cannabis** processing site must meet any public health and safety
44 standards established by the Oregon Health Authority by rule related to:

45 (a) Cannabinoid edibles, if the [*marijuana*] **cannabis** processing site processes [*marijuana*]

1 **cannabis** into cannabinoid edibles;

2 (b) Cannabinoid concentrates, if the [*marijuana*] **cannabis** processing site processes [*marijuana*]
3 **cannabis** into cannabinoid concentrates;

4 (c) Cannabinoid extracts, if the [*marijuana*] **cannabis** processing site processes [*marijuana*]
5 **cannabis** into cannabinoid extracts; or

6 (d) Any other type of medical cannabinoid product identified by the authority by rule, if the
7 [*marijuana*] **cannabis** processing site processes [*marijuana*] **cannabis** into that type of medical
8 cannabinoid product.

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

10 **SECTION 205.** ORS 475C.827 is amended to read:

11 475C.827. (1)(a) Except as provided in paragraph (b) of this subsection, a [*marijuana*] **cannabis**
12 processing site may not transfer medical cannabinoid products, cannabinoid concentrates or
13 cannabinoid extracts to a person other than another [*marijuana*] **cannabis** processing site or a
14 medical [*marijuana*] **cannabis** dispensary.

15 (b) A [*marijuana*] **cannabis** processing site may transfer a medical cannabinoid product,
16 cannabinoid concentrate or cannabinoid extract to a registry identification cardholder, or the des-
17 ignated primary caregiver of a registry identification cardholder, provided that the registry iden-
18 tification cardholder or designated primary caregiver provides the [*marijuana*] **cannabis** processing
19 site with the [*marijuana*] **cannabis** to be processed into the medical cannabinoid product,
20 cannabinoid concentrate or cannabinoid extract and the [*marijuana*] **cannabis** processing site re-
21 ceives no compensation for the transfer.

22 (c) A registry identification cardholder, or the designated primary caregiver of a registry iden-
23 tification cardholder, may reimburse a [*marijuana*] **cannabis** processing site for all costs associated
24 with the processing of [*marijuana*] **cannabis** for the registry identification cardholder.

25 (2) A person other than a [*marijuana*] **cannabis** processing site may not transfer medical
26 cannabinoid products, cannabinoid concentrates or cannabinoid extracts to a medical [*marijuana*]
27 **cannabis** dispensary.

28 **SECTION 206.** ORS 475C.833 is amended to read:

29 475C.833. (1)(a) The Oregon Health Authority shall establish by rule a medical [*marijuana*]
30 **cannabis** dispensary registration system for the purpose of tracking and regulating the transfer of:

31 (A) Usable [*marijuana*] **cannabis**, immature [*marijuana*] **cannabis** plants and seeds from registry
32 identification cardholders, designated primary caregivers and persons responsible for [*marijuana*]
33 **cannabis** grow sites to medical [*marijuana*] **cannabis** dispensaries;

34 (B) Medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts from
35 persons responsible for [*marijuana*] **cannabis** processing sites to medical [*marijuana*] **cannabis**
36 dispensaries; and

37 (C) Usable [*marijuana*] **cannabis**, immature [*marijuana*] **cannabis** plants, seeds, medical
38 cannabinoid products, cannabinoid concentrates and cannabinoid extracts from medical [*marijuana*]
39 **cannabis** dispensaries to registry identification cardholders and designated primary caregivers.

40 (b) A person may not operate an establishment for the purpose of providing the services de-
41 scribed in paragraph (a) of this subsection unless the person is registered under this section.

42 (2) The registration system established under subsection (1) of this section must require an ap-
43 plicant for a medical [*marijuana*] **cannabis** dispensary to submit an application to the authority that
44 includes:

45 (a) The name of the individual who owns the medical [*marijuana*] **cannabis** dispensary or, if a

1 business entity owns the medical [*marijuana*] **cannabis** dispensary, the name of each individual who
 2 has a financial interest in the medical [*marijuana*] **cannabis** dispensary;

3 (b) The name of the individual or individuals responsible for the medical [*marijuana*] **cannabis**
 4 dispensary, if different from the name of the individual who owns the medical [*marijuana*] **cannabis**
 5 dispensary;

6 (c) The address of the medical [*marijuana*] **cannabis** dispensary;

7 (d) Proof that each individual responsible for the medical [*marijuana*] **cannabis** dispensary is 21
 8 years of age or older;

9 (e) Documentation, as required by the authority by rule, that demonstrates the medical
 10 [*marijuana*] **cannabis** dispensary meets the requirements of subsection (3) of this section; and

11 (f) Any other information that the authority considers necessary.

12 (3) To qualify for registration under this section, a medical [*marijuana*] **cannabis** dispensary:

13 (a) May not be located in an area that is zoned for residential use;

14 (b) May not be located at the same address as a [*marijuana*] **cannabis** grow site;

15 (c) Must be registered as a business, or have filed an application to register as a business, with
 16 the office of the Secretary of State;

17 (d) Except as provided under ORS 475C.840, may not be located within 1,000 feet of:

18 (A) A building where a public prekindergarten or kindergarten program is provided by a school
 19 district or an education service district;

20 (B) A public elementary or secondary school for which attendance is compulsory under ORS
 21 339.020; or

22 (C) A private or parochial elementary or secondary school, teaching children as described in
 23 ORS 339.030 (1)(a);

24 (e) Must not be located within 1,000 feet of another medical [*marijuana*] **cannabis** dispensary;
 25 and

26 (f) Must meet the requirements of any rule adopted by the authority under subsection (10) of this
 27 section.

28 (4)(a) The authority shall conduct a criminal records check under ORS 181A.195 for each indi-
 29 vidual named in an application submitted under subsection (2) of this section.

30 (b) An individual convicted for the manufacture or delivery of a controlled substance in Sched-
 31 ular I or Schedule II may not own or be responsible for a medical [*marijuana*] **cannabis** dispensary
 32 for two years from the date the individual is convicted.

33 (c) An individual convicted more than once for the manufacture or delivery of a controlled
 34 substance in Schedule I or Schedule II may not own or be responsible for a medical [*marijuana*]
 35 **cannabis** dispensary.

36 (5) If a person submits the application required under subsection (2) of this section, if the med-
 37 ical [*marijuana*] **cannabis** dispensary identified in the application meets the requirements of this
 38 section and any rules adopted under this section and if each individual named in the application
 39 passes the criminal records check required under subsection (4) of this section, the authority shall
 40 register the medical [*marijuana*] **cannabis** dispensary and issue proof of registration. Proof of reg-
 41 istration must be displayed on the premises of the medical [*marijuana*] **cannabis** dispensary at all
 42 times.

43 (6) A medical [*marijuana*] **cannabis** dispensary that is registered under this section is not re-
 44 quired to register with the State Board of Pharmacy under ORS 475.125.

45 (7) The individual or individuals responsible for a medical [*marijuana*] **cannabis** dispensary shall

1 maintain documentation of each transfer of usable [*marijuana*] **cannabis**, medical cannabinoid pro-
 2 ducts, cannabinoid concentrates, cannabinoid extracts, immature [*marijuana*] **cannabis** plants and
 3 seeds.

4 (8) The authority may inspect:

5 (a) The premises of a proposed medical [*marijuana*] **cannabis** dispensary or a registered medical
 6 [*marijuana*] **cannabis** dispensary to ensure compliance with this section and ORS 475C.843 and any
 7 rules adopted under this section or ORS 475C.843; and

8 (b) The records of a registered medical [*marijuana*] **cannabis** dispensary to ensure compliance
 9 with subsection (7) of this section.

10 (9) Subject to the provisions of ORS chapter 183, the authority may refuse to register an appli-
 11 cant under this section or may suspend or revoke the registration of a medical [*marijuana*] **cannabis**
 12 dispensary if the authority determines that the applicant, the owner of the medical [*marijuana*]
 13 **cannabis** dispensary, a person responsible for the medical [*marijuana*] **cannabis** dispensary, or an
 14 employee of the medical [*marijuana*] **cannabis** dispensary, violated a provision of ORS 475C.770 to
 15 475C.919, a rule adopted under ORS 475C.770 to 475C.919 or an ordinance adopted pursuant to ORS
 16 475C.897.

17 (10) The authority shall adopt rules to implement this section, including rules that:

18 (a) Require a registered medical [*marijuana*] **cannabis** dispensary to annually renew the regis-
 19 tration for that dispensary;

20 (b) Establish fees for registering, and renewing the registration of, a medical [*marijuana*]
 21 **cannabis** dispensary;

22 (c) Require that each medical [*marijuana*] **cannabis** dispensary install and maintain a minimum
 23 security system that includes video surveillance, an alarm system and a safe;

24 (d) Require that usable [*marijuana*] **cannabis**, medical cannabinoid products, cannabinoid con-
 25 centrates, cannabinoid extracts and immature [*marijuana*] **cannabis** plants transferred by a medical
 26 [*marijuana*] **cannabis** dispensary be tested to ensure the public health and safety; and

27 (e) Impose any other standard on the operation of a medical [*marijuana*] **cannabis** dispensary
 28 to ensure the public health and safety.

29 **SECTION 207.** ORS 475C.840 is amended to read:

30 475C.840. Notwithstanding ORS 475C.833 (3)(d), a medical [*marijuana*] **cannabis** dispensary may
 31 be located within 1,000 feet of a building described in ORS 475C.833 (3)(d) if:

32 (1)(a) The medical [*marijuana*] **cannabis** dispensary is not located within 500 feet of:

33 (A) A building where a public prekindergarten or kindergarten program is provided by a school
 34 district or an education service district;

35 (B) A public elementary or secondary school for which attendance is compulsory under ORS
 36 339.020; or

37 (C) A private or parochial elementary or secondary school, teaching children as described in
 38 ORS 339.030 (1)(a); and

39 (b) The Oregon Health Authority determines that there is a physical or geographic barrier ca-
 40 pable of preventing children from traversing to the premises of the medical [*marijuana*] **cannabis**
 41 dispensary; or

42 (2) The medical [*marijuana*] **cannabis** dispensary was established before August 1, 2017, in ac-
 43 cordance with a city or county ordinance adopted under section 29, chapter 83, Oregon Laws 2016.

44 **SECTION 208.** ORS 475C.843 is amended to read:

45 475C.843. (1) The Oregon Health Authority shall require by rule a medical [*marijuana*] **cannabis**

1 dispensary to submit to the authority for inclusion in the database developed and maintained pur-
 2 suant to ORS 475C.856 the following information:

3 (a) The amount of usable [*marijuana*] **cannabis** transferred to and by the medical [*marijuana*]
 4 **cannabis** dispensary;

5 (b) The amount and type of medical cannabinoid products transferred to and by the medical
 6 [*marijuana*] **cannabis** dispensary;

7 (c) The amount and type of cannabinoid concentrates transferred to and by the medical
 8 [*marijuana*] **cannabis** dispensary;

9 (d) The amount and type of cannabinoid extracts transferred to and by the medical [*marijuana*]
 10 **cannabis** dispensary; and

11 (e) The quantity of immature [*marijuana*] **cannabis** plants transferred to and by the medical
 12 [*marijuana*] **cannabis** dispensary.

13 (2) The authority by rule may require a medical [*marijuana*] **cannabis** dispensary to submit to
 14 the authority for inclusion in the database developed and maintained pursuant to ORS 475C.856 in-
 15 formation that is in addition to the information described in subsection (1) of this section as the
 16 authority considers necessary to fulfill the authority's duties under ORS 475C.833 (1). The authority
 17 may not employ any method other than that described in this section to obtain information from a
 18 medical [*marijuana*] **cannabis** dispensary.

19 **SECTION 209.** ORS 475C.847 is amended to read:

20 475C.847. If a building described in ORS 475C.833 (3)(d) that has not previously been attended
 21 by children is established within 1,000 feet of a medical [*marijuana*] **cannabis** dispensary, the med-
 22 ical [*marijuana*] **cannabis** dispensary may remain at its current location unless the Oregon Health
 23 Authority revokes the registration of the medical [*marijuana*] **cannabis** dispensary.

24 **SECTION 210.** ORS 475C.850 is amended to read:

25 475C.850. (1) In addition to the powers granted nonprofit corporations under ORS 65.077 and
 26 65.081, a medical [*marijuana*] **cannabis** dispensary that is owned by a nonprofit corporation organ-
 27 ized under ORS chapter 65 may receive by gift, devise or bequest:

28 (a) Usable [*marijuana*] **cannabis**, immature [*marijuana*] **cannabis** plants and seeds from registry
 29 identification cardholders, designated primary caregivers, persons responsible for [*marijuana*]
 30 **cannabis** grow sites, persons who hold a license under ORS 475C.065 and persons who hold a cer-
 31 tificate under ORS 475C.289; and

32 (b) Medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts from per-
 33 sons responsible for [*marijuana*] **cannabis** processing sites, persons who hold a license under ORS
 34 475C.085 and persons who hold a certificate under ORS 475C.289.

35 (2) If a registry identification cardholder's annual income is at or below the federal poverty
 36 guidelines, a medical [*marijuana*] **cannabis** dispensary that is owned by a nonprofit corporation or-
 37 ganized under ORS chapter 65 shall dispense usable [*marijuana*] **cannabis**, immature [*marijuana*]
 38 **cannabis** plants, seeds, medical cannabinoid products, cannabinoid concentrates and cannabinoid
 39 extracts to that registry identification cardholder or the designated primary caregiver of that reg-
 40 istry identification cardholder free of charge or at a discounted price.

41 (3) The Oregon Health Authority shall adopt rules necessary to implement this section.

42 **SECTION 211.** ORS 475C.853 is amended to read:

43 475C.853. (1) The Oregon Health Authority shall maintain a telephone hotline for the following
 44 persons to inquire if an address is the location of a [*marijuana*] **cannabis** grow site, [*marijuana*]
 45 **cannabis** processing site or medical [*marijuana*] **cannabis** dispensary or is the proposed location

1 of a [*marijuana*] **cannabis** grow site, [*marijuana*] **cannabis** processing site or medical [*marijuana*]
2 **cannabis** dispensary:

- 3 (a) A person designated by a city or a county;
- 4 (b) A person designated by the Water Resources Department;
- 5 (c) A person designated by the watermaster of any water district; and
- 6 (d) A person designated by the State Department of Agriculture.

7 (2) The authority may disclose the address of a [*marijuana*] **cannabis** grow site for purposes of
8 this section notwithstanding ORS 475C.859.

9 **SECTION 212.** ORS 475C.856 is amended to read:

10 475C.856. (1) The Oregon Health Authority shall develop and maintain a database of information
11 related to the production of [*marijuana*] **cannabis** by persons designated to produce [*marijuana*]
12 **cannabis** by a registry identification cardholder, the processing of [*marijuana*] **cannabis** by a
13 [*marijuana*] **cannabis** processing site under ORS 475C.815 and the transfer of usable [*marijuana*]
14 **cannabis**, medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts by
15 medical [*marijuana*] **cannabis** dispensaries under ORS 475C.833. At a minimum, the database must
16 include the information submitted to the authority under ORS 475C.795, 475C.821 and 475C.843.

17 (2)(a) Subject to paragraph (c) of this subsection, the authority may provide information that is
18 stored in the database developed and maintained under this section to a law enforcement agency.

19 (b) Subject to paragraph (c) of this subsection, the authority may provide information that is
20 stored in the database developed and maintained under this section to the regulatory agencies of a
21 city or county.

22 (c) The authority may not disclose:

23 (A) Any personally identifiable information related to a registry identification cardholder or a
24 designated primary caregiver that is stored in the database developed and maintained under this
25 section.

26 (B) Any information related to the amount and type of usable [*marijuana*] **cannabis**, medical
27 cannabinoid products, cannabinoid concentrates and cannabinoid extracts transferred to or by per-
28 sons designated to produce [*marijuana*] **cannabis** by a registry identification cardholder,
29 [*marijuana*] **cannabis** processing sites or medical [*marijuana*] **cannabis** dispensaries.

30 (3) Nothing in this section prevents a law enforcement agency from lawfully obtaining informa-
31 tion that is stored in the database developed and maintained under this section by subpoena.

32 **SECTION 213.** ORS 475C.859 is amended to read:

33 475C.859. (1)(a) The Oregon Health Authority shall establish and maintain a list of:

34 (A) The names of persons to whom a registry identification card has been issued under ORS
35 475C.783;

36 (B) The names of persons designated as primary caregivers under ORS 475C.789; and

37 (C) The addresses of [*marijuana*] **cannabis** grow sites registered under ORS 475C.792.

38 (b) Except as provided in subsection (2) of this section, the list is confidential and not subject
39 to public disclosure under ORS 192.311 to 192.478.

40 (c) The authority shall develop a system by which authorized employees of state and local law
41 enforcement agencies may verify that:

42 (A) A person lawfully possesses a registry identification card;

43 (B) A person is the designated primary caregiver of a lawful possessor of a registry identifica-
44 tion card; or

45 (C) A location is a registered [*marijuana*] **cannabis** grow site.

1 (2) Names, addresses and other identifying information from the list established and maintained
2 pursuant to subsection (1) of this section may be released to:

3 (a) Authorized employees of the authority as necessary to perform official duties of the author-
4 ity.

5 (b) Authorized employees of state or local law enforcement agencies who provide to the au-
6 thority adequate identification, but only as necessary to verify that:

7 (A) A person lawfully possesses a registry identification card;

8 (B) A person is the designated primary caregiver of a lawful possessor of a registry identifica-
9 tion card; or

10 (C) A location is a registered [*marijuana*] **cannabis** grow site.

11 (3) Authorized employees of state or local law enforcement agencies who obtain identifying in-
12 formation as authorized by this section may not release or use the information for any purpose other
13 than to verify that:

14 (a) A person lawfully possesses a registry identification card;

15 (b) A person is the designated primary caregiver of a lawful possessor of a registry identification
16 card; or

17 (c) A location is a registered [*marijuana*] **cannabis** grow site.

18 (4) In addition to releasing information to authorized employees of state or local law enforce-
19 ment agencies for purposes of verifying information under subsection (2)(b) of this section, the au-
20 thority may release to authorized employees of state or local law enforcement agencies the minimum
21 amount of information necessary to enable an employee to determine whether an individual or lo-
22 cation is in compliance with a provision of ORS 475C.770 to 475C.919 or a rule adopted under ORS
23 475C.770 to 475C.919.

24 (5) If the authority determines, after conducting an investigation or receiving a complaint of an
25 alleged violation of a provision of ORS 475C.770 to 475C.919 or a rule adopted under ORS 475C.770
26 to 475C.919, that a violation of a provision of ORS 475C.770 to 475C.919 or a rule adopted under
27 ORS 475C.770 to 475C.919 has occurred, the authority may provide information obtained by the au-
28 thority, except for information related to a registry identification cardholder's debilitating condition,
29 to authorized employees of state or local law enforcement agencies, or to another state or local
30 government agency with jurisdiction over the matter.

31 **SECTION 214.** ORS 475C.862 is amended to read:

32 475C.862. (1) Any personally identifiable information, as defined in ORS 432.005, other than a
33 name of an individual or an address submitted with an application under ORS 475C.815 or 475C.833,
34 that the Oregon Health Authority collects and maintains for purposes of registering a [*marijuana*]
35 **cannabis** grow site under ORS 475C.792, a [*marijuana*] **cannabis** processing site under ORS
36 475C.815, or a medical [*marijuana*] **cannabis** dispensary under ORS 475C.833, is confidential and not
37 subject to public disclosure under ORS 192.311 to 192.478, except that the authority may provide
38 personally identifiable information to a person registered under ORS 475C.770 to 475C.919 if the
39 registrant requests the information and the information is related to a designation made under ORS
40 475C.770 to 475C.919.

41 (2) Any personally identifiable information, as defined in ORS 432.005, submitted to the authority
42 under ORS 475C.795, 475C.821 or 475C.843 or pursuant to ORS 475C.856 is confidential and not
43 subject to public disclosure under ORS 192.311 to 192.478.

44 (3) Any record that the authority keeps or maintains for purposes related to the installation or
45 maintenance of a security system by a medical [*marijuana*] **cannabis** dispensary pursuant to rules

1 adopted under ORS 475C.833 (10) is confidential and not subject to public disclosure under ORS
2 192.311 to 192.478.

3 **SECTION 215.** ORS 475C.865 is amended to read:

4 475C.865. Notwithstanding ORS 475C.862, if the Oregon Health Authority suspends or revokes
5 the registration of the [marijuana] **cannabis** grow site of a person designated to produce
6 [marijuana] **cannabis** by a registry identification cardholder, a [marijuana] **cannabis** processing site
7 or a medical [marijuana] **cannabis** dispensary, or otherwise takes disciplinary action against the
8 [marijuana] **cannabis** grow site of a person designated to produce [marijuana] **cannabis** by a regis-
9 try identification cardholder, a [marijuana] **cannabis** processing site or a medical [marijuana]
10 **cannabis** dispensary, the authority shall provide that information to a law enforcement agency.

11 **SECTION 216.** ORS 475C.868 is amended to read:

12 475C.868. (1) Except as provided in subsection (5) of this section, the Oregon Health Authority
13 shall establish, maintain and operate an electronic system for the keeping of information received
14 by the authority under ORS 475C.783 and 475C.792 or information included on a registry identifica-
15 tion card issued under ORS 475C.783 or on a [marijuana] **cannabis** grow site registration card is-
16 sued under ORS 475C.792.

17 (2) The authority may contract with a state agency or private entity to ensure the effective es-
18 tablishment, maintenance or operation of the electronic system.

19 (3) Except as provided in subsection (4) of this section, information kept in the electronic system
20 is confidential and not subject to public disclosure under ORS 192.311 to 192.478. Except as provided
21 in subsection (4) of this section, the authority may not disclose the information for any reason.

22 (4) Except as provided in subsection (5) of this section, the authority shall establish the elec-
23 tronic system in a manner that allows the Oregon Liquor and Cannabis Commission and the De-
24 partment of Revenue to remotely access the electronic system. Information disclosed to the
25 commission and the department under this subsection remains confidential and not subject to public
26 disclosure under ORS 192.311 to 192.478. The commission and the department may not disclose the
27 information for any reason.

28 (5) The authority is not required to keep in the database, and the commission and the depart-
29 ment may not access, the following types of information:

30 (a) Information related to the debilitating condition of a registry identification cardholder; or

31 (b) The contact information or address of a registry identification cardholder or a designated
32 primary caregiver, unless the contact information or address are the same as the contact informa-
33 tion or address of a [marijuana] **cannabis** grow site.

34 (6) The electronic system must be immediately accessible by the commission and the department
35 at all times.

36 **SECTION 217.** ORS 475C.871 is amended to read:

37 475C.871. (1) The Oregon Health Authority shall enter into an agreement with the Oregon Li-
38 quor and Cannabis Commission under which the commission shall use the system developed and
39 maintained under ORS 475C.177 to track:

40 (a) The propagation of immature [marijuana] **cannabis** plants and the production of
41 [marijuana] **cannabis** by [marijuana] **cannabis** grow sites;

42 (b) The processing of [marijuana] **cannabis** into medical cannabinoid products, cannabinoid
43 concentrates and cannabinoid extracts that are transferred to a medical [marijuana] **cannabis**
44 dispensary;

45 (c) The transfer of usable [marijuana] **cannabis**, immature [marijuana] **cannabis** plants, medical

1 cannabinoid products, cannabinoid concentrates and cannabinoid extracts by a [*marijuana*] **cannabis**
2 grow site or a medical [*marijuana*] **cannabis** dispensary to a registry identification cardholder or
3 the designated primary caregiver of a registry identification cardholder; and

4 (d) The transfer of usable [*marijuana*] **cannabis**, immature [*marijuana*] **cannabis** plants, medical
5 cannabinoid products, cannabinoid concentrates and cannabinoid extracts between [*marijuana*]
6 **cannabis** grow sites, [*marijuana*] **cannabis** processing sites and medical [*marijuana*] **cannabis**
7 dispensaries.

8 (2) [*Marijuana*] **Cannabis** grow sites, [*marijuana*] **cannabis** processing sites and medical
9 [*marijuana*] **cannabis** dispensaries are subject to tracking under this section.

10 (3) On and after the date on which a [*marijuana*] **cannabis** grow site becomes subject to track-
11 ing under this section, the person is exempt from the requirements of ORS 475C.795 and the pro-
12 visions of ORS 475C.792 that relate to ORS 475C.795.

13 (4) On and after the date on which a [*marijuana*] **cannabis** processing site becomes subject to
14 tracking under this section, the [*marijuana*] **cannabis** processing site is exempt from the require-
15 ments of ORS 475C.821 and the provisions of ORS 475C.815 that relate to ORS 475C.821.

16 (5) On and after the date on which a medical [*marijuana*] **cannabis** dispensary becomes subject
17 to tracking under this section, the medical [*marijuana*] **cannabis** dispensary is exempt from the re-
18 quirements of ORS 475C.843 and the provisions of ORS 475C.833 that relate to ORS 475C.843.

19 (6) The commission may conduct inspections and investigations of alleged violations of ORS
20 475C.770 to 475C.919 about which the commission obtains knowledge as a result of performing the
21 commission's duties under this section. Notwithstanding ORS 475C.301, the commission may use
22 regulatory specialists, as defined in ORS 471.001, to conduct the inspections and investigations, in-
23 cluding inspections and investigations of [*marijuana*] **cannabis** grow sites located at a primary re-
24 sidence.

25 (7) Notwithstanding ORS 475C.726, before making any other distribution from the Oregon
26 [*Marijuana*] **Cannabis** Account established under ORS 475C.726, the Department of Revenue shall
27 first distribute moneys quarterly from the account to the commission for deposit in the [*Marijuana*]
28 **Cannabis** Control and Regulation Fund established under ORS 475C.297 for purposes of paying ad-
29 ministrative, inspection and investigatory costs incurred by the commission under this section, pro-
30 vided that the amount of distributed moneys does not exceed \$1.25 million per quarter. For purposes
31 of estimating the amount of moneys necessary to pay costs incurred under this section, the com-
32 mission shall establish a formulary based on expected costs for each [*marijuana*] **cannabis** grow site,
33 [*marijuana*] **cannabis** processing site or medical [*marijuana*] **cannabis** dispensary that is tracked
34 under this section. The commission shall provide to the Department of Revenue and the Legislative
35 Fiscal Officer before each quarter the estimated amount of moneys necessary to pay costs expected
36 to be incurred under this section and the formulary.

37 (8) When imposing a fee on a person responsible for a [*marijuana*] **cannabis** grow site,
38 [*marijuana*] **cannabis** processing site or medical [*marijuana*] **cannabis** dispensary under ORS
39 475C.792, 475C.815 or 475C.833, the authority shall impose an additional fee that is reasonably cal-
40 culated to pay costs incurred under this section other than costs paid pursuant to subsection (7) of
41 this section. As part of the agreement entered into under subsection (1) of this section, the authority
42 shall transfer fee moneys collected pursuant to this subsection to the commission for deposit in the
43 [*Marijuana*] **Cannabis** Control and Regulation Fund established under ORS 475C.297. Moneys col-
44 lected pursuant to this subsection and deposited in the [*Marijuana*] **Cannabis** Control and Regu-
45 lation Fund are continuously appropriated to the commission for purposes of this section.

(9) The authority and the commission may adopt rules as necessary to administer this section.

(10) This section does not apply to a [*marijuana*] **cannabis** grow site located at an address where:

(a) A registry identification cardholder produces [*marijuana*] **cannabis** and no more than 12 mature [*marijuana*] **cannabis** plants and 24 immature [*marijuana*] **cannabis** plants are produced; or

(b)(A) No more than two persons are registered under ORS 475C.792 to produce [*marijuana*] **cannabis**; and

(B) The address is used to produce [*marijuana*] **cannabis** for no more than two registry identification cardholders.

SECTION 218. ORS 475C.874 is amended to read:

475C.874. (1) A person responsible for a [*marijuana*] **cannabis** processing site, or a person responsible for a medical [*marijuana*] **cannabis** dispensary, may designate that responsibility to another person.

(2) If a designation is made under this section, the designee must submit to the Oregon Health Authority proof that the designee meets the requirements and restrictions set forth in:

(a) For [*marijuana*] **cannabis** processing sites, ORS 475C.815 (2)(d) and (4); or

(b) For medical [*marijuana*] **cannabis** dispensaries, ORS 475C.833 (2)(d) and (4).

(3) The authority may prescribe the form and manner of submitting proof under subsection (2) of this section.

SECTION 219. ORS 475C.877 is amended to read:

475C.877. (1) A person responsible for a [*marijuana*] **cannabis** processing site, or a person responsible for a medical [*marijuana*] **cannabis** dispensary, may assign that responsibility to another person.

(2) If an assignment is made under this section, the assignee must submit to the Oregon Health Authority proof that the assignee meets the requirements and restrictions set forth in:

(a) For [*marijuana*] **cannabis** processing sites, ORS 475C.815 (2)(d) and (4); or

(b) For medical [*marijuana*] **cannabis** dispensaries, ORS 475C.833 (2)(d) and (4).

(3) The authority may prescribe the form and manner of submitting proof under subsection (2) of this section.

SECTION 220. ORS 475C.880 is amended to read:

475C.880. (1) In the event that a [*marijuana*] **cannabis** processing site or a medical [*marijuana*] **cannabis** dispensary is foreclosed or otherwise ceases operations as described in ORS chapter 79, a secured party, as defined in ORS 79.0102, may continue operations at the [*marijuana*] **cannabis** processing site or medical [*marijuana*] **cannabis** dispensary upon submitting to the Oregon Health Authority proof that the secured party or, if the secured party is a business entity, any individual who has a financial interest in the secured party, meets the requirements and restrictions set forth in:

(a) For [*marijuana*] **cannabis** processing sites, ORS 475C.815 (2)(d) and (4); or

(b) For medical [*marijuana*] **cannabis** dispensaries, ORS 475C.833 (2)(d) and (4).

(2) The authority may prescribe the form and manner of submitting proof under subsection (1) of this section.

SECTION 221. ORS 475C.883 is amended to read:

475C.883. Except as provided in ORS 475C.886, a person engaged in or assisting in the medical use of [*marijuana*] **cannabis** is exempt from the criminal laws of this state for possession, delivery or manufacture of [*marijuana*] **cannabis**, aiding and abetting another in the possession, delivery or

1 manufacture of [*marijuana*] **cannabis**, or any other criminal offense in which possession, delivery
2 or manufacture of [*marijuana*] **cannabis** is an element if:

3 (1) The person holds a registry identification card.

4 (2) The person has applied for a registry identification card under ORS 475C.783 and the person
5 has proof of written documentation described in ORS 475C.783 (2)(a) and proof of the date on which
6 the person submitted the application to the Oregon Health Authority. An exemption under this
7 subsection applies only until the authority approves or denies the application.

8 (3) The person is designated as a primary caregiver under ORS 475C.789.

9 (4) The person is responsible for or is employed by a [*marijuana*] **cannabis** grow site registered
10 under ORS 475C.792.

11 (5) The person owns, is responsible for, or is employed by, a [*marijuana*] **cannabis** processing
12 site.

13 (6) The person owns, is responsible for, or is employed by, a medical [*marijuana*] **cannabis**
14 dispensary.

15 **SECTION 222.** ORS 475C.886 is amended to read:

16 475C.886. A person is not exempt from the criminal laws of this state for possession, delivery
17 or manufacture of [*marijuana*] **cannabis**, aiding and abetting another in the possession, delivery or
18 manufacture of [*marijuana*] **cannabis**, or any other criminal offense in which possession, delivery
19 or manufacture of [*marijuana*] **cannabis** is an element, and the person may not assert the affirmative
20 defense established in ORS 475C.889, if the person, in connection with conduct constituting an ele-
21 ment of the offense:

22 (1) Drives under the influence of [*marijuana*] **cannabis** as provided in ORS 813.010;

23 (2) Engages in the medical use of [*marijuana*] **cannabis** in a public place, as defined in ORS
24 161.015, in public view or in a correctional facility, as defined in ORS 162.135 (2), or a youth cor-
25 rection facility, as defined in ORS 162.135 (6); or

26 (3) Delivers [*marijuana*] **cannabis** to any individual who the person knows is not in possession
27 of a registry identification card or to any individual or entity that the person knows has not been
28 designated to receive [*marijuana*] **cannabis** or assigned a possessory interest in [*marijuana*]
29 **cannabis** by an individual in possession of a registry identification card.

30 **SECTION 223.** ORS 475C.889 is amended to read:

31 475C.889. (1) Except as provided in ORS 475C.886, a person has an affirmative defense to a
32 criminal charge of possession, delivery or manufacture of [*marijuana*] **cannabis**, or any other crim-
33 inal offense in which possession, delivery or manufacture of [*marijuana*] **cannabis** is an element, if
34 the person charged with the offense:

35 (a) Was diagnosed with a debilitating medical condition within 12 months of the date on which
36 the person was arrested and was advised by the person's attending provider that the medical use
37 of [*marijuana*] **cannabis** may mitigate the symptoms or effects of that debilitating medical condition;

38 (b) Is engaged in the medical use of [*marijuana*] **cannabis**; and

39 (c) Possesses, delivers or manufactures [*marijuana*] **cannabis** only in quantities permitted under
40 ORS 475C.806.

41 (2) A person does not need to lawfully possess a registry identification card to assert the affir-
42 mative defense established in this section.

43 (3) A person engaged in the medical use of [*marijuana*] **cannabis** who claims that [*marijuana*]
44 **cannabis** provides medically necessary benefits and who is charged with a crime pertaining to the
45 use of [*marijuana*] **cannabis** is not precluded from presenting a defense of choice of evils, as set

1 forth in ORS 161.200, or from presenting evidence supporting the necessity of [*marijuana*] **cannabis**
 2 for treatment of a specific disease or medical condition, provided that:

3 (a) The person possesses, delivers or manufactures [*marijuana*] **cannabis** only as permitted un-
 4 der ORS 475C.806 (1); and

5 (b) The person has taken a substantial step toward complying with the provisions of ORS
 6 475C.770 to 475C.919.

7 (4) A defendant proposing to use the affirmative defense established in this section in a criminal
 8 action shall, not less than five days before the trial of the cause, file and serve upon the district
 9 attorney a written notice of the intention to assert the affirmative defense. The notice must specif-
 10 ically state the reasons why the defendant is entitled to assert the affirmative defense and the fac-
 11 tual basis for the affirmative defense. If the defendant fails to file and serve the notice, the defendant
 12 is not permitted to assert the affirmative defense at the trial of the cause unless the court orders,
 13 for good cause, otherwise.

14 **SECTION 224.** ORS 475C.891, as amended by section 106, chapter 73, Oregon Laws 2024, is
 15 amended to read:

16 475C.891. The Oregon Board of Naturopathic Medicine, Oregon Medical Board and Oregon State
 17 Board of Nursing may not impose a civil penalty or take other disciplinary action against an at-
 18 tending provider for:

19 (1) Advising a person diagnosed as having a debilitating medical condition by the attending
 20 provider or another physician licensed under ORS chapter 677, physician associate licensed under
 21 ORS 677.505 to 677.525, nurse practitioner licensed under ORS 678.375 to 678.390, clinical nurse
 22 specialist licensed under ORS 678.370 and 678.372, certified registered nurse anesthetist as defined
 23 in ORS 678.010 or naturopathic physician licensed under ORS chapter 685 about the risks and ben-
 24 efits associated with the medical use of [*marijuana*] **cannabis** or that the medical use of
 25 [*marijuana*] **cannabis** may mitigate the symptoms or effects of the person's debilitating medical
 26 condition, provided that the advice is based on the attending provider's personal assessment of the
 27 person's medical history and current medical condition; or

28 (2) Providing the written documentation necessary for issuance or renewal of a registry iden-
 29 tification card under ORS 475C.783, provided that the written documentation is based on the at-
 30 tending provider's personal assessment of the person's medical history and current medical condition
 31 and the attending provider has discussed with the person the potential risks and benefits associated
 32 with the medical use of [*marijuana*] **cannabis**.

33 **SECTION 225.** ORS 475C.892 is amended to read:

34 475C.892. (1) A professional licensing board may not impose a civil penalty or take other disci-
 35 plinary action against a licensee based on the licensee's medical use of [*marijuana*] **cannabis** under
 36 the provisions of ORS 475C.770 to 475C.919 or actions taken by the licensee pursuant to the
 37 licensee's designation as a primary caregiver under ORS 475C.789.

38 (2)(a) A licensed health care professional may administer medical [*marijuana*] **cannabis** to a
 39 person who possesses a registry identification card and resides in a licensed health care facility if
 40 the administration of pharmaceuticals is within the scope of practice of the licensed health care
 41 professional. Administration of medical [*marijuana*] **cannabis** under this subsection may not take
 42 place in a public place as defined in ORS 161.015 or in the presence of a person under 18 years of
 43 age. If the medical [*marijuana*] **cannabis** administered under this subsection is smoked, adequate
 44 ventilation must be provided.

45 (b) Nothing in this subsection requires:

1 (A) A licensed health care professional to administer medical [*marijuana*] **cannabis**; or

2 (B) A licensed health care facility to make accommodations for the administration of medical
3 [*marijuana*] **cannabis**.

4 **SECTION 226.** ORS 475C.894 is amended to read:

5 475C.894. (1) Registration under ORS 475C.770 to 475C.919 or possession of proof of registration
6 under ORS 475C.770 to 475C.919 does not constitute probable cause to search the person or property
7 of the registrant or otherwise subject the person or property of the registrant to inspection by a
8 government agency. However, the Oregon Health Authority may inspect the [*marijuana*] **cannabis**
9 grow site of a person designated to produce [*marijuana*] **cannabis** by a registry identification
10 cardholder, a [*marijuana*] **cannabis** processing site registered under ORS 475C.815, or a medical
11 [*marijuana*] **cannabis** dispensary registered under ORS 475C.833, at any reasonable time to deter-
12 mine whether the person responsible for the [*marijuana*] **cannabis** grow site, the person responsible
13 for the [*marijuana*] **cannabis** processing site, or the person responsible for the medical [*marijuana*]
14 **cannabis** dispensary, is in compliance with ORS 475C.770 to 475C.919 and rules adopted under ORS
15 475C.770 to 475C.919.

16 (2) Any property interest possessed, owned or used in connection with the medical use of
17 [*marijuana*] **cannabis** or acts incidental to the medical use of [*marijuana*] **cannabis** that has been
18 seized by state or local law enforcement officers may not be harmed, neglected, injured or destroyed
19 while in the possession of a law enforcement agency, except that a law enforcement agency has no
20 responsibility to maintain live [*marijuana*] **cannabis** plants lawfully seized. Such property interest
21 may not be forfeited under any provision of law providing for the forfeiture of property, except
22 pursuant to a sentence imposed after conviction of a criminal offense. [*Marijuana*] **Cannabis** and
23 equipment or paraphernalia used to produce, process or administer [*marijuana*] **cannabis** that was
24 seized by a law enforcement officer shall be returned immediately if the district attorney in whose
25 county the property was seized, or the district attorney's designee, determines that the person from
26 whom the [*marijuana*] **cannabis**, equipment or paraphernalia was seized is entitled to the pro-
27 tections provided by ORS 475C.770 to 475C.919. The determination may be evidenced by a decision
28 not to prosecute, the dismissal of charges or acquittal.

29 **SECTION 227.** ORS 475C.897 is amended to read:

30 475C.897. (1) For purposes of this section, "reasonable regulations" includes:

31 (a) Reasonable limitations on the hours during which the [*marijuana*] **cannabis** grow site of a
32 person designated to produce [*marijuana*] **cannabis** by a registry identification cardholder, a
33 [*marijuana*] **cannabis** processing site or a medical [*marijuana*] **cannabis** dispensary may operate;

34 (b) Reasonable conditions on the manner in which the [*marijuana*] **cannabis** grow site of a per-
35 son designated to produce [*marijuana*] **cannabis** by a registry identification cardholder, a
36 [*marijuana*] **cannabis** processing site or a medical [*marijuana*] **cannabis** dispensary may transfer
37 usable [*marijuana*] **cannabis**, medical cannabinoid products, cannabinoid concentrates, cannabinoid
38 extracts, immature [*marijuana*] **cannabis** plants and seeds;

39 (c) Reasonable requirements related to the public's access to the [*marijuana*] **cannabis** grow site
40 of a person designated to produce [*marijuana*] **cannabis** by a registry identification cardholder, a
41 [*marijuana*] **cannabis** processing site or a medical [*marijuana*] **cannabis** dispensary; and

42 (d) Reasonable limitations on where the [*marijuana*] **cannabis** grow site of a person designated
43 to produce [*marijuana*] **cannabis** by a registry identification cardholder, a [*marijuana*] **cannabis**
44 processing site or a medical [*marijuana*] **cannabis** dispensary may be located.

45 (2) Notwithstanding ORS 30.935, 215.253 (1) or 633.738, the governing body of a city or county

1 may adopt ordinances that impose reasonable regulations on the operation of [*marijuana*] **cannabis**
 2 grow sites of persons designated to produce [*marijuana*] **cannabis** by registry identification
 3 cardholders, [*marijuana*] **cannabis** processing sites and medical [*marijuana*] **cannabis** dispensaries
 4 that are located in the area subject to the jurisdiction of the city or county.

5 **SECTION 228.** ORS 475C.903 is amended to read:

6 475C.903. Subject to any applicable provision of ORS chapter 183, the Oregon Health Authority,
 7 the State Department of Agriculture and the Oregon Liquor and Cannabis Commission may possess,
 8 seize or dispose of [*marijuana*] **cannabis**, usable [*marijuana*] **cannabis**, medical cannabinoid pro-
 9 ducts, cannabinoid concentrates and cannabinoid extracts as is necessary for the authority to ensure
 10 compliance with and enforce the provisions of ORS 475C.770 to 475C.919 and any rule adopted under
 11 ORS 475C.770 to 475C.919.

12 **SECTION 229.** ORS 475C.910 is amended to read:

13 475C.910. The provisions of ORS 475C.770 to 475C.919 do not protect a person from a criminal
 14 cause of action based on possession, delivery or manufacture of [*marijuana*] **cannabis** that is not
 15 described in ORS 475C.770 to 475C.919.

16 **SECTION 230.** ORS 475C.916 is amended to read:

17 475C.916. A nurse licensed under ORS 678.040 to 678.101 may discuss the medical use of
 18 [*marijuana*] **cannabis** with a person with whom the nurse has a patient-provider relationship.

19 **SECTION 231.** ORS 475C.930 is amended to read:

20 475C.930. (1) The Oregon Cannabis Commission is established within the Oregon Health Au-
 21 thority. The commission consists of:

22 (a) The Public Health Officer or the Public Health Officer's designee; and

23 (b) Eight members appointed by the Governor as follows:

24 (A) A registry identification cardholder, as defined in ORS 475C.777;

25 (B) A person designated to produce [*marijuana*] **cannabis** by a registry identification cardholder,
 26 as defined in ORS 475C.777;

27 (C) An attending provider, as defined in ORS 475C.777;

28 (D) A person representing the Oregon Health Authority;

29 (E) A person representing the Oregon Liquor and Cannabis Commission;

30 (F) A local health officer, as described in ORS 431.418;

31 (G) A law enforcement officer; and

32 (H) A person knowledgeable about research proposal grant protocols.

33 (2) The term of office of each member of the commission is four years, but a member serves at
 34 the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall
 35 appoint a successor whose term begins on January 1 of the following year. A member is eligible for
 36 reappointment. If there is a vacancy for any cause, the Governor shall make an appointment to be-
 37 come immediately effective for the unexpired term.

38 (3) The appointment of each member of the commission is subject to confirmation by the Senate
 39 in the manner prescribed in ORS 171.562 and 171.565.

40 (4) Members of the commission are not entitled to compensation, but may be reimbursed for
 41 actual and necessary travel and other expenses incurred by them in the performance of their official
 42 duties in the manner and amounts provided for in ORS 292.495.

43 **SECTION 232.** ORS 475C.939 is amended to read:

44 475C.939. In addition to any other duty prescribed by law, the Oregon Cannabis Commission
 45 shall:

1 (1) Provide advice to the Oregon Health Authority with respect to the administration of ORS
2 475C.770 to 475C.919;

3 (2) Provide advice to the Oregon Liquor and Cannabis Commission with respect to the adminis-
4 tration of ORS 475C.005 to 475C.525, insofar as those statutes pertain to registry identification
5 cardholders and designated primary caregivers, as those terms are defined in ORS 475C.777;

6 (3) Develop a long-term strategic plan for ensuring that cannabis will remain a therapeutic op-
7 tion for persons with debilitating medical conditions as defined in ORS 475C.777;

8 (4) Develop a long-term strategic plan for ensuring that cannabis will remain affordable for
9 persons with debilitating medical conditions as defined in ORS 475C.777; and

10 (5) Monitor and study federal laws, regulations and policies regarding [*marijuana*] **cannabis**.

11 **SECTION 233.** ORS 475C.945 is amended to read:

12 475C.945. If a city or county enacts or has enacted an ordinance prohibiting or allowing
13 [*marijuana*] **cannabis** processing sites registered under ORS 475C.815 or medical [*marijuana*]
14 **cannabis** dispensaries registered under ORS 475C.833, the governing body of the city or the county
15 may amend the ordinance, without referring the amendment to the electors of the city or county
16 under ORS 475C.950, to prohibit or allow the premises of a licensee, as those terms are defined in
17 ORS 475C.009, that has been designated an exclusively medical licensee under ORS 475C.121,
18 475C.125, 475C.129 or 475C.133.

19 **SECTION 234.** ORS 475C.950 is amended to read:

20 475C.950. (1) The governing body of a city or county may adopt ordinances to be referred to the
21 electors of the city or county as described in subsection (2) of this section that prohibit or allow the
22 establishment of any one or more of the following in the area subject to the jurisdiction of the city
23 or in the unincorporated area subject to the jurisdiction of the county:

24 (a) [*Marijuana*] **Cannabis** processing sites registered under ORS 475C.815;

25 (b) Medical [*marijuana*] **cannabis** dispensaries registered under ORS 475C.833;

26 (c) [*Marijuana*] **Cannabis** producers that hold a license issued under ORS 475C.065;

27 (d) [*Marijuana*] **Cannabis** processors that hold a license issued under ORS 475C.085;

28 (e) [*Marijuana*] **Cannabis** wholesalers that hold a license issued under ORS 475C.093;

29 (f) [*Marijuana*] **Cannabis** retailers that hold a license issued under ORS 475C.097;

30 (g) [*Marijuana*] **Cannabis** producers that hold a license issued under ORS 475C.065 and that the
31 Oregon Liquor and Cannabis Commission has designated as an exclusively medical licensee under
32 ORS 475C.121;

33 (h) [*Marijuana*] **Cannabis** processors that hold a license issued under ORS 475C.085 and that the
34 commission has designated as an exclusively medical licensee under ORS 475C.125;

35 (i) [*Marijuana*] **Cannabis** wholesalers that hold a license issued under ORS 475C.093 and that
36 the commission has designated as an exclusively medical licensee under ORS 475C.129;

37 (j) [*Marijuana*] **Cannabis** retailers that hold a license issued under ORS 475C.097 and that the
38 commission has designated as an exclusively medical licensee under ORS 475C.133; or

39 (k) Any combination of the entities described in this subsection.

40 (2) If the governing body of a city or county adopts an ordinance under this section, the gov-
41 erning body shall submit the measure of the ordinance to the electors of the city or county for ap-
42 proval at the next statewide general election.

43 (3) If the governing body of a city or county adopts an ordinance under this section, the gov-
44 erning body must provide the text of the ordinance:

45 (a) To the Oregon Health Authority, in a form and manner prescribed by the authority, if the

1 ordinance concerns a medical [*marijuana*] **cannabis** dispensary registered under ORS 475C.833 or a
2 [*marijuana*] **cannabis** processing site registered under ORS 475C.815; or

3 (b) To the commission, if the ordinance concerns a premises for which a license has been issued
4 under ORS 475C.005 to 475C.525.

5 (4)(a) Upon receiving notice of a prohibition under subsection (3) of this section, the authority
6 shall discontinue registering those entities to which the prohibition applies until the date of the next
7 statewide general election.

8 (b) Upon receiving notice of a prohibition b under subsection (3) of this section, the commission
9 shall discontinue licensing those premises to which the prohibition applies until the date of the next
10 statewide general election.

11 (5)(a) If an allowance is approved at the next statewide general election under subsection (2)
12 of this section, and the allowance concerns an entity described in subsection (1)(a) or (b) of this
13 section, the authority shall begin registering the entity to which the allowance applies on the first
14 business day of the January immediately following the date of the statewide general election.

15 (b) If an allowance is approved at the next statewide general election under subsection (2) of
16 this section, and the allowance concerns an entity described in subsection (1)(c) to (j) of this section,
17 the commission shall begin licensing the premises to which the allowance applies on the first busi-
18 ness day of the January immediately following the date of the next statewide general election.

19 (6) If the electors of a city or county approve an ordinance prohibiting or allowing an entity
20 described in subsection (1)(a), (b) or (g) to (j) of this section, the governing body of the city or county
21 may amend the ordinance, without referring the amendment to the electors of the city or county,
22 to prohibit or allow any other entity described in subsection (1)(a), (b) or (g) to (j) of this section.

23 (7) Notwithstanding any other provisions of law, a city or county that adopts an ordinance under
24 this section that prohibits the establishment of an entity described in subsection (1) of this section
25 may not impose a tax or fee on the production, processing or sale of [*marijuana*] **cannabis** or any
26 product into which [*marijuana*] **cannabis** has been incorporated.

27 (8) Notwithstanding subsection (1) of this section, a medical [*marijuana*] **cannabis** dispensary is
28 not subject to an ordinance adopted under this section if the medical [*marijuana*] **cannabis**
29 dispensary:

30 (a) Is registered under ORS 475C.833 on or before the date on which the governing body adopts
31 the ordinance; and

32 (b) Has successfully completed a city or county land use application process.

33 (9) Notwithstanding subsection (1) of this section, a [*marijuana*] **cannabis** processing site is not
34 subject to an ordinance adopted under this section if the [*marijuana*] **cannabis** processing site:

35 (a) Is registered under ORS 475C.815 on or before the date on which the governing body adopts
36 the ordinance; and

37 (b) Has successfully completed a city or county land use application process.

38 **SECTION 235.** ORS 537.387 is amended to read:

39 537.387. (1) At a location described in subsection (2) of this section, a person may not:

40 (a) Use, store or divert any waters under ORS 537.130;

41 (b) Use or attempt to use any ground water under ORS 537.535;

42 (c) Construct or attempt to construct any well or other means of developing and securing ground
43 water under ORS 537.535;

44 (d) Collect or use precipitation water from an artificial impervious surface as described in ORS
45 537.141; or

1 (e) Use ground water as described in ORS 537.545 (1)(b) or (f).

2 (2) A person may not engage in or undertake an action described in subsection (1) of this section
3 at a location where plants in the plant Cannabis family Cannabaceae are grown, if:

4 (a) The location described in this section is not licensed or registered under ORS 475C.065,
5 475C.792 or 571.281; and

6 (b) The number of plants described in this section is greater than the number of [*marijuana*]
7 **cannabis** plants or industrial hemp plants allowed under ORS 475C.005 to 475C.525, 475C.770 to
8 475C.919 or 571.260 to 571.348.

9 **SECTION 236.** ORS 571.306, as amended by section 8, chapter 16, Oregon Laws 2024, is
10 amended to read:

11 571.306. (1) A person licensed under ORS 571.281 or a laboratory licensed under ORS 475C.548
12 may, within the boundaries of this state, transport or receive industrial hemp or an industrial hemp
13 commodity that contains no more tetrahydrocannabinol than allowed by the State Department of
14 Agriculture by rule if the industrial hemp or industrial hemp used in the industrial hemp commodity
15 originated from a crop that was found to not contain an average tetrahydrocannabinol concentration
16 exceeding the concentration specified by the department by rule.

17 (2) A person licensed under ORS 475C.085, 475C.093 or 475C.097 may, within the boundaries of
18 this state, receive from a person licensed under ORS 571.281 industrial hemp or an industrial hemp
19 commodity or product that contains no more tetrahydrocannabinol than allowed by the Oregon Li-
20 quor and Cannabis Commission by rule if the industrial hemp or industrial hemp used in the indus-
21 trial hemp commodity or product originated from a crop that was found to not contain an average
22 tetrahydrocannabinol concentration exceeding the concentration specified by the department by
23 rule.

24 (3) Industrial hemp or an industrial hemp commodity or product transported or received as de-
25 scribed in this section may not be considered a [*marijuana item.*] "**cannabis item.**"

26 **SECTION 237.** ORS 571.330 is amended to read:

27 571.330. (1)(a) A laboratory licensed by the Oregon Liquor and Cannabis Commission under ORS
28 475C.548 and accredited by the Oregon Health Authority pursuant to ORS 475C.560 may test in-
29 dustrial hemp and industrial hemp commodities and products whether or not the industrial hemp or
30 industrial hemp commodities or products were produced or processed by a licensee.

31 (b) An accredited independent testing laboratory that has been approved by the authority or the
32 State Department of Agriculture may test industrial hemp and industrial hemp commodities and
33 products whether or not the industrial hemp or industrial hemp commodities or products were
34 produced or processed by a licensee.

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

41 (3) Industrial hemp commodities or products that are intended for use in an inhalant delivery
42 system, as defined in ORS 431A.175, must meet the requirements of ORS 475C.540 to 475C.586 and
43 475C.600 to 475C.648 that apply to industrial hemp-derived vapor items as defined in ORS 475C.540
44 and 475C.600.

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

1 (a) Establishing protocols for the testing of industrial hemp commodities and products; and

2 (b) Establishing procedures for determining batch sizes and for sampling industrial hemp com-
3 modities and products.

4 (5) This section does not apply to:

5 (a) Agricultural hemp seed;

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

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

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

10 **SECTION 238.** ORS 571.336 is amended to read:

11 571.336. (1) As used in this section, [*“licensee,” “marijuana,” “marijuana item” and “marijuana*
12 *processor”*] **“cannabis,” “cannabis item,” “cannabis processor” and “licensee”** have the
13 meanings given those terms in ORS 475C.009.

14 (2) A grower licensed under ORS 571.281 may deliver industrial hemp, and a handler licensed
15 under ORS 571.281 may deliver industrial hemp concentrates and industrial hemp extracts, to a
16 [*marijuana*] **cannabis** processor that holds a license issued under ORS 475C.085, if:

17 (a) The grower or handler and the [*marijuana*] **cannabis** processor are registered with the
18 Oregon Liquor and Cannabis Commission, in a form and manner prescribed by the commission, for
19 the purpose of processing industrial hemp, industrial hemp concentrates and industrial hemp ex-
20 tracts;

21 (b) The [*marijuana*] **cannabis** processor is provided with the results of any test conducted on
22 the industrial hemp, industrial hemp concentrate or industrial hemp extract pursuant to ORS 571.260
23 to 571.348 as a condition of the [*marijuana*] **cannabis** processor’s receiving the industrial hemp, in-
24 dustrial hemp concentrate or industrial hemp extract;

25 (c) The [*marijuana*] **cannabis** processor keeps the results of any test that the [*marijuana*]
26 **cannabis** processor receives pursuant to paragraph (b) of this subsection in a form and manner
27 prescribed by the commission;

28 (d) The industrial hemp, industrial hemp concentrate or industrial hemp extract is tracked using
29 the system developed and maintained under ORS 475C.177 when the industrial hemp, industrial hemp
30 concentrate or industrial hemp extract is delivered to the premises of the [*marijuana*] **cannabis**
31 processor; and

32 (e) The grower or handler and the [*marijuana*] **cannabis** processor meet any other requirement
33 established by the commission by rule.

34 (3) Industrial hemp, industrial hemp concentrates and industrial hemp extracts may be processed
35 by a [*marijuana*] **cannabis** processor registered under this section into any industrial hemp com-
36 modity or product or used by a [*marijuana*] **cannabis** processor registered under this section to
37 supplement the processing of any [*marijuana*] **cannabis** item.

38 (4) An industrial hemp concentrate, industrial hemp extract, industrial hemp commodity or
39 product or [*marijuana*] **cannabis** item processed pursuant to this section may be delivered by a
40 [*marijuana*] **cannabis** processor registered under this section to a licensee as described in ORS
41 475C.205, provided that the industrial hemp concentrate, industrial hemp extract, industrial hemp
42 commodity or product or [*marijuana*] **cannabis** item meets any applicable requirement for
43 [*marijuana*] **cannabis** items set forth in ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and
44 475C.600 to 475C.648 and rules adopted under ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and
45 475C.600 to 475C.648.

1 (5) The commission may impose an annual fee reasonably calculated to not exceed the cost of
 2 administering this section on growers registered under this section, handlers registered under this
 3 section and [*marijuana*] **cannabis** processors registered under this section. Fees collected under this
 4 section shall be deposited in the [*Marijuana*] **Cannabis** Control and Regulation Fund established
 5 under ORS 475C.297. Moneys deposited in the fund pursuant to this subsection are continuously
 6 appropriated to the commission for the purpose of administering this section.

7 **SECTION 239.** ORS 571.337 is amended to read:

8 571.337. (1) As used in this section:

9 (a) "Processor" means a person licensed under ORS 475C.085.

10 (b) "Retailer" means a person licensed under ORS 475C.097.

11 (c) "Wholesaler" means a person licensed under ORS 475C.093.

12 (2) A processor, retailer or wholesaler may purchase, receive, transfer, sell or transport indus-
 13 trial hemp, or an industrial hemp commodity or product that contains cannabinoids and is intended
 14 for human consumption, only if:

15 (a) The processor, retailer or wholesaler received the hemp, commodity or product from a
 16 grower or handler licensed under ORS 571.281 or a processor;

17 (b) The grower, handler or processor under paragraph (a) of this subsection is registered with
 18 the Oregon Liquor and Cannabis Commission as provided under ORS 571.336; and

19 (c) The hemp, commodity or product meets the requirements for [*marijuana*] **cannabis** items
 20 under ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648 and rules adopted
 21 by the commission.

22 (3) A grower, handler or processor registered as described under ORS 571.336 (2)(a) shall enter
 23 the hemp, commodity or product that contains cannabinoids, is intended for human consumption and
 24 is intended for transfer, sale or transport to a processor, retailer or wholesaler licensed under ORS
 25 475C.005 to 475C.525 into the tracking system described in ORS 475C.177 before the hemp, com-
 26 modity or product is transferred to a laboratory described in ORS 571.330 (1) for testing of a type
 27 described under ORS 475C.544. The commission shall continue to track the hemp, commodity or
 28 product entered into the system under this subsection when the hemp, commodity or product is
 29 transferred, sold or transported to a premises licensed under ORS 475C.005 to 475C.525, or to other
 30 areas under the control of the premises licensee.

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

33 (a) Is tested as described in ORS 475C.544 and otherwise meets the requirements for
 34 [*marijuana*] **cannabis** items under ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to
 35 475C.648 and rules adopted by the commission;

36 (b) Is entered into the tracking system described in ORS 475C.177;

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

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

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

42 (6)(a) The commission shall adopt rules regarding the activities of processors, retailers, whole-
 43 salers and laboratories under this section.

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

45 **SECTION 240.** ORS 571.339 is amended to read:

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

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

5 (a) The industrial hemp commodity or product has been tested in accordance with ORS 571.330
6 and any rules adopted pursuant to ORS 571.330;

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

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

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

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

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

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

23 (a) A laboratory licensed by the commission under ORS 475C.548 and accredited by the author-
24 ity under ORS 475C.560; or

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

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

30 (5) This section does not apply to the retail sale of industrial hemp commodities or products by
31 a [*marijuana*] **cannabis** retailer, as defined in ORS 475C.009, that holds a license issued under ORS
32 475C.097.

33 **SECTION 241.** ORS 571.423 is amended to read:

34 571.423. The Oregon Hemp Commission may:

35 (1) Conduct scientific research to discover and develop the commercial value of hemp and hemp
36 products.

37 (2) Disseminate reliable information founded upon the research conducted under ORS 571.400 to
38 571.501 that shows the value of hemp and hemp products for any purpose for which hemp and hemp
39 products may be found useful and profitable.

40 (3) Study federal and state legislation with respect to tariffs, duties, reciprocal trade agreements,
41 import quotas and other matters concerning the effect of the legislation on the hemp industry, and
42 represent and protect the interests of the hemp industry with respect to any legislation, proposed
43 legislation or executive action that may affect the hemp industry.

44 (4) Act jointly and in cooperation with the federal government, or any federal agency, in the
45 administration of any program of the federal government or federal agency that the commission de-

1 termines is beneficial to the hemp industry in this state, and expend funds in connection with the
2 administration of a program described in this subsection, provided that the program is compatible
3 with the powers conferred on the commission by ORS 571.400 to 571.501.

4 (5) Enter into contracts for advertising hemp and for developing new markets through advertis-
5 ing.

6 (6) Develop plans or projects for promotion and advertising research, consumer information and
7 industry information, and create programs that will lead to the development of new markets, mar-
8 keting strategies, increased efficiency and activities to enhance the image of the hemp industry.

9 (7) Appoint all subordinate officers and employees of the commission and establish their duties
10 and compensation.

11 (8) Levy the assessments described in ORS 571.447.

12 (9) Borrow money in amounts that do not exceed estimated revenues from assessments for the
13 year.

14 (10) Enter into contracts for carrying out the duties of the commission, in addition to those
15 duties described in subsection (5) of this section.

16 (11) Subject to ORS 30.260 to 30.300, sue and be sued in the name of the commission.

17 (12) Request that the Attorney General prosecute in the name of the State of Oregon suits and
18 actions for the collection of assessments levied by the commission.

19 (13) Participate in federal and state hearings or other proceedings concerning regulation of the
20 manufacture, distribution, sale or use of pesticides as defined in ORS 634.006 or other chemicals that
21 are of use or potential use to producers. This subsection does not authorize the commission to
22 regulate the use of pesticides.

23 (14) To the extent consistent with the duties of the commission, participate in and cooperate
24 with local, state, national and international private organizations or governmental agencies that
25 engage in work similar to that of the commission.

26 (15) Provide mechanisms for maintaining and expanding existing markets and developing new
27 domestic and international markets for hemp, including but not limited to:

28 (a) Public relations programs;

29 (b) Media relations programs;

30 (c) Paid print and electronic advertising;

31 (d) Point of sale promotion and coupon programs; and

32 (e) Activities that prevent, modify or eliminate trade barriers that obstruct the free flow of hemp
33 to market.

34 (16) Conduct and fund research, in addition to that described in subsection (1) of this section,
35 to:

36 (a) Enhance the commercial value of hemp and hemp products;

37 (b) Discover the benefits to public health, the environment or the economy of consuming or
38 otherwise using hemp;

39 (c) Develop better and more efficient production, harvesting, irrigation, processing, transporta-
40 tion, handling, marketing and uses of hemp;

41 (d) Control or eradicate hazards to hemp, including but not limited to hazards from diseases,
42 pests and weeds, while supporting coexistence between hemp and other agricultural crops, including
43 [*marijuana*] **cannabis**;

44 (e) Develop viable alternatives for the rotation of crops;

45 (f) Determine new or potential demand for hemp and develop appropriate market development

1 strategies for capturing that demand; and

2 (g) Measure the effectiveness of marketing, advertising or promotional programs.

3 (17) Gather, publicize and disseminate information that shows the importance of the consumption
4 and other uses of hemp to public health, the environment, the economy and the proper nutrition of
5 children and adults.

6 (18) Further the purposes of this section by funding scholarships for or providing financial as-
7 sistance to persons or entities interested in hemp.

8 (19) Adopt rules as necessary to carry out the duties, functions and powers conferred on the
9 commission by this section.

10 **SECTION 242.** ORS 659A.403 is amended to read:

11 659A.403. (1) Except as provided in subsection (2) of this section, all persons within the juris-
12 diction of this state are entitled to the full and equal accommodations, advantages, facilities and
13 privileges of any place of public accommodation, without any distinction, discrimination or re-
14 striction on account of race, color, religion, sex, sexual orientation, gender identity, national origin,
15 marital status or age if the individual is of age, as described in this section, or older.

16 (2) Subsection (1) of this section does not prohibit:

17 (a) The enforcement of laws governing the consumption of alcoholic beverages by minors and
18 the frequenting by minors of places of public accommodation where alcoholic beverages are served;

19 (b) The enforcement of laws governing the use of [*marijuana*] **cannabis** items, as defined in ORS
20 475C.009, by persons under 21 years of age and the frequenting by persons under 21 years of age
21 of places of public accommodation where [*marijuana*] **cannabis** items are sold; or

22 (c) The offering of special rates or services to persons 50 years of age or older.

23 (3) It is an unlawful practice for any person to deny full and equal accommodations, advantages,
24 facilities and privileges of any place of public accommodation in violation of this section.

25 **SECTION 243.** ORS 659A.409 is amended to read:

26 659A.409. Except as provided by laws governing the consumption of alcoholic beverages by mi-
27 nors, the use of [*marijuana*] **cannabis** items, as defined in ORS 475C.009, by persons under 21 years
28 of age, the frequenting by minors of places of public accommodation where alcoholic beverages are
29 served and the frequenting by persons under 21 years of age of places of public accommodation
30 where [*marijuana*] **cannabis** items are sold, and except for special rates or services offered to per-
31 sons 50 years of age or older, it is an unlawful practice for any person acting on behalf of any place
32 of public accommodation as defined in ORS 659A.400 to publish, circulate, issue or display, or cause
33 to be published, circulated, issued or displayed, any communication, notice, advertisement or sign
34 of any kind to the effect that any of the accommodations, advantages, facilities, services or privi-
35 leges of the place of public accommodation will be refused, withheld from or denied to, or that any
36 discrimination will be made against, any person on account of race, color, religion, sex, sexual ori-
37 entation, gender identity, national origin, marital status or age if the individual is of age, as de-
38 scribed in this section, or older.

39 **SECTION 244.** ORS 689.557 is amended to read:

40 689.557. (1) The State Board of Pharmacy shall establish by rule instructions for the disposal
41 of a [*marijuana*] **cannabis** item as defined in ORS 475C.009 left behind by individuals visiting retail
42 drug outlets.

43 (2) At a minimum, the instructions established under subsection (1) of this section must:

44 (a) Require an employee or supervisor of the retail drug outlet to notify law enforcement upon
45 discovering the [*marijuana*] **cannabis** item at the site; and

1 (b) Include procedures for destroying the [*marijuana*] **cannabis** item so that it can no longer be
2 used for human consumption.

3 (3) A person acting under and in accordance with this section is exempt from the criminal laws
4 of this state for any criminal offense in which possession of [*marijuana*] **cannabis** or a [*marijuana*]
5 **cannabis** item as defined in ORS 475C.009 is an element.

6 **SECTION 245.** ORS 811.482 is amended to read:

7 811.482. (1) As used in this section:

8 (a) **“Cannabis item” has the meaning given that term in ORS 475C.009.**

9 [(a)] (b) “Consumes” includes the inhalation of smoke from a [*marijuana*] **cannabis** item by a
10 driver or passenger of a motor vehicle.

11 [(b) “*Marijuana item*” has the meaning given that term in ORS 475C.009.]

12 (2) A person commits the offense of use of [*marijuana*] **cannabis** in a motor vehicle if the person
13 consumes in any manner a [*marijuana*] **cannabis** item while in a motor vehicle when the motor ve-
14 hicle is upon a highway.

15 (3) This section does not apply to passengers in a motor vehicle that is operated by a common
16 carrier and used primarily to carry passengers for hire.

17 (4) Use of [*marijuana*] **cannabis** in a motor vehicle is a Class B traffic violation.

18 **SECTION 246.** Section 1, chapter 16, Oregon Laws 2024, is amended to read:

19 **Sec. 1.** (1) As used in this section:

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

21 [(a)] (b) “Industrial hemp” has the meaning given that term in ORS 571.269.

22 [(b) “*Marijuana*” has the meaning given that term in ORS 475C.009.]

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

25 (a) Premises for which a license has been issued under ORS 475C.065; and

26 (b) The locations of industrial hemp operations licensed under ORS 571.281.

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

30 **SECTION 247.** Section 2, chapter 16, Oregon Laws 2024, is amended to read:

31 **Sec. 2.** (1) As used in this section:

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

33 [(a)] (b) “Industrial hemp” has the meaning given that term in ORS 571.269.

34 [(b) “*Marijuana*” has the meaning given that term in ORS 475C.009.]

35 (2) The Oregon Liquor and Cannabis Commission, in consultation with the State Department of
36 Agriculture, shall develop by rule a methodology to distinguish whether a cannabis plant is
37 [*marijuana*] **cannabis** or industrial hemp for purposes of sections 1, 4, 5 and 6 [*of this 2024 Act*],
38 **chapter 16, Oregon Laws 2024**. The methodology must include testing criteria and cannabinoid
39 concentrations above which immature or mature cannabis plants are presumptively considered to
40 be [*marijuana*] **cannabis**.

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

45 **SECTION 248.** Section 11, chapter 16, Oregon Laws 2024, is amended to read:

1 **Sec. 11.** (1) As used in this section and sections 12 and 13 [*of this 2024 Act*], **chapter 16,**
 2 **Oregon Laws 2024,** “cannabinoid” means any of the chemical compounds that are the active con-
 3 stituents derived from industrial hemp.

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

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

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

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

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

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

23 (a) The name and type of the product;

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

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

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

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

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

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

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

33 (a) The name and type of the product;

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

35 (c) The ingredients of the product;

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

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

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

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

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

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

43 (A) “For use only by adults 21 and older.”; and

44 (B) “Keep out of reach of children.”;

45 (j) If the product is a food product, any other information required by law or rule for food pro-

1 ducts; and

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

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

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

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

9 (6) If an industrial hemp product is intended only for human consumption or use, the person
10 described in subsection (2) of this section shall comply with the requirements of ORS 571.337 and
11 571.339.

12 (7)(a) The fee collected under this section may not exceed the cost of administering ORS 571.309
13 and sections 2, 4 and 11 to 14 [of this 2024 Act], **chapter 16, Oregon Laws 2024**.

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

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

20 (9) The commission may refuse to register an industrial hemp product that contains
21 cannabinoids and is intended for human or animal consumption or use if, based on the information
22 described in subsection (3) or (4) of this section, the sale of the product to a consumer is prohibited
23 by section 12 [of this 2024 Act], **chapter 16, Oregon Laws 2024**, or by the commission by rule.

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

25 (a) Does not contain cannabinoids;

26 (b) Is intended only for topical use;

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

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

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

30 **SECTION 249.** Section 19, chapter 16, Oregon Laws 2024, is amended to read:

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

33 (a) For a production license under ORS 475C.065, there is not more than one active license per
34 7,500 residents in this state who are 21 years of age or older.

35 (b) For a processor license under ORS 475C.085, there is not more than one active license per
36 12,500 residents in this state who are 21 years of age or older.

37 (c) For a wholesale license under ORS 475C.093, there is not more than one active license per
38 12,500 residents in this state who are 21 years of age or older.

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

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

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

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

- 1 (c) An application for a change in size of a mature [*marijuana*] **cannabis** plant grow canopy; or
2 (d) The sale or purchase of a license described in subsection (1) of this section issued prior to
3 the operative date specified in section 22 [*of this 2024 Act*], **chapter 16, Oregon Laws 2024**.

4
