

A-Engrossed
House Bill 2263

Ordered by the House April 19
Including House Amendments dated April 19

Sponsored by Representative LIVELY; Representative WILDE (Pre-session filed.)

SUMMARY

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

[Directs Oregon Liquor Control Commission to study recreational marijuana tracking. Requires report to interim committee of Legislative Assembly related to economic development.]

[Sunsets January 2, 2022.]

[Declares emergency, effective on passage.]

Authorizes Oregon Liquor Control Commission to allow marijuana producer and marijuana processor to establish internal inventory tracking systems to track by batch production and processing of marijuana. Allows commission to audit internal inventory tracking systems and allow marijuana producer or marijuana processor to use internal inventory tracking system in lieu of commission's tracking system. Becomes operative January 1, 2022.

Prohibits commission from requiring individual plant tracking tags. Becomes operative July 1, 2023.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to recreational marijuana tracking; creating new provisions; amending ORS 475B.177,
3 475B.539 and 475B.825; and prescribing an effective date.

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

5 **SECTION 1. Sections 2 and 3 of this 2021 Act are added to and made a part of ORS**
6 **475B.010 to 475B.545.**

7 **SECTION 2. (1)(a) The Oregon Liquor Control Commission may allow a marijuana pro-**
8 **ducer that holds a license issued under ORS 475B.070 and a marijuana processor that holds**
9 **a license issued under ORS 475B.090 to establish an internal inventory tracking system to**
10 **track the propagation of immature marijuana plants and the production of marijuana by the**
11 **marijuana producer and the processing of marijuana by the marijuana processor.**

12 **(b) An internal tracking system established under this subsection may provide for**
13 **tracking by batch, as defined by the commission by rule.**

14 **(2) The commission may audit and review an internal tracking system established under**
15 **subsection (1) of this section and continue to allow a marijuana producer or marijuana**
16 **processor to use an internal tracking system in lieu of the system developed and maintained**
17 **under ORS 475B.177 if the commission determines that the internal tracking system achieves**
18 **the purposes described in ORS 475B.177 (2).**

19 **SECTION 3. The Oregon Liquor Control Commission may not require the use of individ-**
20 **ual plant tags for purposes of tracking under ORS 475B.177 or section 2 of this 2021 Act.**

21 **SECTION 4. ORS 475B.177 is amended to read:**

22 **475B.177. (1) The Oregon Liquor Control Commission shall develop and maintain a system for**

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 tracking the transfer of marijuana items between premises for which licenses have been issued under
2 ORS 475B.010 to 475B.545.

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

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

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

8 (c) Ensuring an accurate accounting of the [*production,*] processing and sale of marijuana items;

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

10 (e) Ensuring compliance with ORS 475B.010 to 475B.545, rules adopted under ORS 475B.010 to
11 475B.545 and any other law of this state that charges the commission with a duty, function or power
12 related to marijuana.

13 (3) **The commission shall track, through** the system developed and maintained under this
14 section [*must be capable of tracking, at a minimum*]:

15 (a) **Except as provided in section 2 of this 2021 Act**, the propagation of immature marijuana
16 plants and the production of marijuana by a marijuana producer;

17 (b) **Except as provided in section 2 of this 2021 Act**, the processing of marijuana by a
18 marijuana processor;

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

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

21 (e) The sale and purchase of marijuana items between licensees, as permitted by ORS 475B.010
22 to 475B.545;

23 (f) The transfer of marijuana items between premises for which licenses have been issued under
24 ORS 475B.010 to 475B.545; and

25 (g) Any other information that the commission determines is reasonably necessary to accomplish
26 the duties, functions and powers of the commission under ORS 475B.010 to 475B.545.

27 **SECTION 5.** ORS 475B.539 is amended to read:

28 475B.539. (1) Notwithstanding ORS 475B.206 or any other provision prohibiting the transporta-
29 tion of marijuana items to or from a location for which a license has not been issued under ORS
30 475B.010 to 475B.545 or prohibiting the possession of marijuana items at a location for which a li-
31 cense has not been issued under ORS 475B.010 to 475B.545, a licensee may transport marijuana
32 items to and exhibit marijuana items at a trade show, the Oregon State Fair or a similar event if:

33 (a) The marijuana items are tracked using the system developed and maintained under ORS
34 475B.177 **or established under section 2 of this 2021 Act**;

35 (b) All of the marijuana items are returned to a premises for which a license has been issued
36 under ORS 475B.010 to 475B.545 immediately after the conclusion of the event; and

37 (c) The licensee complies with any other requirement imposed by the Oregon Liquor Control
38 Commission by rule or order for the purpose of ensuring the security of the marijuana items, for the
39 purpose of preventing minors from having access to the marijuana items or for any other purpose
40 deemed relevant by the commission.

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

42 **SECTION 6.** ORS 475B.825 is amended to read:

43 475B.825. (1) Subject to subsection (2) of this section, a marijuana grow site may transfer up to
44 20 pounds of usable marijuana per year to a person that holds a license issued under ORS 475B.090
45 or 475B.100, provided that:

1 (a) The transfer is tracked using the system developed and maintained under ORS 475B.177 or
2 **established under section 2 of this 2021 Act;**

3 (b) More than 12 mature marijuana plants are produced at the marijuana grow site;

4 (c) The usable marijuana has been assigned to the person responsible for the marijuana grow
5 site pursuant to ORS 475B.822;

6 (d) The usable marijuana has been tested in accordance with the provisions of ORS 475B.550 to
7 475B.590; and

8 (e) The marijuana grow site first registered with the Oregon Health Authority under ORS
9 475B.810 on or before August 2, 2017.

10 (2) If the Oregon Liquor Control Commission determines that the supply of marijuana items of-
11 fered for sale by marijuana retailers that hold a license issued under ORS 475B.105 is exceeding
12 consumer demand for the marijuana items, and if the commission determines that the market for
13 marijuana items in this state will not self-correct for the excess, the commission may issue an order
14 that temporarily reduces the amount of usable marijuana that may be transferred pursuant to this
15 section or that temporarily suspends the ability to transfer usable marijuana pursuant to this sec-
16 tion.

17 **SECTION 7. (1) Section 2 of this 2021 Act and the amendments to ORS 475B.177, 475B.539**
18 **and 475B.825 by sections 4 to 6 of this 2021 Act become operative on January 1, 2022.**

19 **(2) Section 3 of this 2021 Act becomes operative on July 1, 2023.**

20 **(3) The Oregon Liquor Control Commission may take any action before the operative date**
21 **specified in subsection (1) of this section that is necessary to enable the commission to ex-**
22 **ercise, on and after the operative date specified in subsection (1) of this section, all of the**
23 **duties, functions and powers conferred on the commission by section 2 of this 2021 Act and**
24 **the amendments to ORS 475B.177, 475B.539 and 475B.825 by sections 4 to 6 of this 2021 Act.**

25 **SECTION 8. This 2021 Act takes effect on the 91st day after the date on which the 2021**
26 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**

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