

## HOUSE AMENDMENTS TO HOUSE BILL 3013

By COMMITTEE ON GENERAL GOVERNMENT

April 20

1 In line 2 of the printed bill, after the semicolon delete the rest of the line and insert “creating  
2 new provisions; amending ORS 90.396, 323.505, 475B.063, 475B.070, 475B.167, 475B.206, 475B.286,  
3 475B.301, 475B.496, 475B.555, 475B.605, 475B.610, 475B.615, 475B.620, 475B.625, 475B.635, 475B.766,  
4 475B.778, 475B.791, 475B.810, 475B.816, 475B.876, 475B.879, 475B.885, 475B.888, 475B.895, 475B.907,  
5 475B.922, 475B.928, 475B.940, 475B.965, 475B.968, 571.285 and 571.348; repealing ORS 475B.640,  
6 475B.650, 475B.772, 475B.840, 475B.843, 475B.846, 475B.849, 475B.852, 475B.855, 475B.858, 475B.861,  
7 475B.864, 475B.867, 475B.870, 475B.873, 475B.898, 475B.901 and 475B.904 and section 174, chapter  
8 614, Oregon Laws 2015; and prescribing an effective date.”

9 Delete lines 4 through 11 and insert:

### 10 11 **“MEDICAL MARIJUANA PROCESSING SITES AND DISPENSARIES**

12  
13 **“SECTION 1. Sections 2 to 6 of this 2021 Act are added to and made a part of ORS**  
14 **475B.010 to 475B.545.**

15 **“SECTION 2. As used in sections 2 to 6 of this 2021 Act:**

16 **“(1) ‘Medical marijuana dispensary’ means a premises at which marijuana for medical**  
17 **use is transferred to registry identification cardholders and designated primary caregivers.**

18 **“(2) ‘Medical marijuana processing site’ means a location at which marijuana is processed**  
19 **for medical use.**

20 **“(3) ‘Process’ means the compounding or conversion of marijuana into medical**  
21 **cannabinoid products, cannabinoid concentrates or cannabinoid extracts.**

22 **“SECTION 3. (1) The Oregon Liquor Control Commission shall establish by rule a process**  
23 **to register medical marijuana processing sites. To hold a registration under this section, an**  
24 **applicant shall:**

25 **“(a) Apply for a registration in the manner prescribed by the commission by rule;**

26 **“(b) Provide to the commission proof that the applicant is 21 years of age or older; and**

27 **“(c) Meet any other requirements established by the commission by rule.**

28 **“(2) A person may not process marijuana for medical use without a registration issued**  
29 **under this section.**

30 **“(3) A registration issued under this section is valid for one year and may be renewed**  
31 **pursuant to rules adopted by the commission.**

32 **“(4)(a) An applicant for registration under this section must be an individual.**

33 **“(b) A registration issued under this section may not be transferred:**

34 **“(A) From the individual to whom the registration is issued to another individual; or**

35 **“(B) To any location other than the original location at which the applicant processes**

1 marijuana.

2 “(5) A medical marijuana processing site may transfer medical cannabinoid products,  
3 cannabinoid concentrates or cannabinoid extracts to:

4 “(a) Another medical marijuana processing site or a medical marijuana dispensary;

5 “(b) A registry identification cardholder, or the designated primary caregiver of a regis-  
6 try identification cardholder, if the registry identification cardholder or designated primary  
7 caregiver provides the medical marijuana processing site with the marijuana to be processed  
8 into the medical cannabinoid product, cannabinoid concentrate or cannabinoid extract and  
9 the medical marijuana processing site does not receive compensation for the transfer, other  
10 than reimbursement for costs associated with the processing; or

11 “(c) Other persons as specified by the commission by rule.

12 “(6) A medical marijuana processing site may receive:

13 “(a) Medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts  
14 from another medical marijuana processing site;

15 “(b) Marijuana from a registry identification cardholder or designated primary caregiver  
16 of a registry identification cardholder for the purposes described in subsection (5) of this  
17 section; and

18 “(c) Medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts  
19 from other persons as specified by the commission by rule.

20 “(7)(a) The commission shall establish application, registration and renewal fees under  
21 this section.

22 “(b) Fees adopted under this section may not exceed, together with other fees collected  
23 under ORS 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545.

24 “(c) Moneys from fees collected under this section shall be deposited in the Marijuana  
25 Control and Regulation Fund established under ORS 475B.296.

26 “(8) The commission may adopt rules as necessary to carry out this section.

27 “SECTION 4. (1) The Oregon Liquor Control Commission shall establish by rule a process  
28 to register medical marijuana dispensaries. To hold a registration under this section, an ap-  
29 plicant shall:

30 “(a) Apply for a registration in the manner prescribed by the commission by rule;

31 “(b) Provide to the commission proof that the applicant is 21 years of age or older; and

32 “(c) Meet any other requirements established by the commission by rule.

33 “(2) A person may not provide the services described in subsections (6) and (7) of this  
34 section without a registration issued under this section.

35 “(3) A registration issued under this section is valid for one year and may be renewed  
36 pursuant to rules adopted by the commission.

37 “(4)(a) An applicant for registration under this section must be an individual.

38 “(b) A registration issued under this section may not be transferred:

39 “(A) From the individual to whom the registration is issued to another individual; or

40 “(B) To any location other than the original location at which the applicant transfers  
41 usable marijuana, immature marijuana plants, seeds, medical cannabinoid products,  
42 cannabinoid concentrates and cannabinoid extracts.

43 “(5)(a) Except as provided in paragraph (b) of this subsection, a medical marijuana  
44 dispensary may not be located within 1,000 feet of:

45 “(A) A public elementary or secondary school for which attendance is compulsory under

1 **ORS 339.020; or**

2 **“(B) A private or parochial elementary or secondary school, teaching children as de-**  
3 **scribed in ORS 339.030 (1)(a).**

4 **“(b) A medical marijuana dispensary may be located within 1,000 feet of a school if:**

5 **“(A) The medical marijuana dispensary is not located within 500 feet of a public elemen-**  
6 **tary or secondary school or a private or parochial elementary or secondary school described**  
7 **in paragraph (a) of this subsection; and**

8 **“(B) The commission determines that there is a physical or geographic barrier capable**  
9 **of preventing children from traversing to the premises of the medical marijuana dispensary.**

10 **“(6) A medical marijuana dispensary may transfer usable marijuana, immature marijuana**  
11 **plants, seeds, medical cannabinoid products, cannabinoid concentrates and cannabinoid ex-**  
12 **tracts to:**

13 **“(a) Another medical marijuana dispensary;**

14 **“(b) A registry identification cardholder or the designated primary caregiver of a registry**  
15 **identification cardholder; or**

16 **“(c) Other persons as specified by the commission by rule.**

17 **“(7) A medical marijuana dispensary may receive:**

18 **“(a) Usable marijuana, immature marijuana plants and seeds from registry identification**  
19 **cardholders and persons responsible for marijuana grow sites, as defined in ORS 475B.791;**

20 **“(b) Medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts**  
21 **from medical marijuana processing sites registered under section 3 of this 2021 Act; and**

22 **“(c) Usable marijuana, immature marijuana plants, seeds, medical cannabinoid products,**  
23 **cannabinoid concentrates and cannabinoid extracts from other persons as specified by the**  
24 **commission by rule.**

25 **“(8)(a) The commission shall establish application, registration and renewal fees under**  
26 **this section.**

27 **“(b) Fees adopted under this section may not exceed, together with other fees collected**  
28 **under ORS 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545.**

29 **“(c) Moneys from fees collected under this section shall be deposited in the Marijuana**  
30 **Control and Regulation Fund established under ORS 475B.296.**

31 **“(9) The commission may adopt rules as necessary to carry out this section.**

32 **“SECTION 5. (1) The Oregon Liquor Control Commission shall:**

33 **“(a) Ensure that the system developed and maintained under ORS 475B.177 is capable of**  
34 **tracking the transfer of marijuana items processed at a medical marijuana processing site**  
35 **registered under section 3 of this 2021 Act and marijuana items transferred from a medical**  
36 **marijuana dispensary registered under section 4 of this 2021 Act.**

37 **“(b) Treat information related to medical marijuana processing sites registered under**  
38 **section 3 of this 2021 Act and medical marijuana dispensaries registered under section 4 of**  
39 **this 2021 Act in the same manner as the information described in ORS 475B.541.**

40 **“(2) The commission may suspend, revoke or refuse to issue a registration under section**  
41 **3 or 4 of this 2021 Act or require a registrant or representative of a registrant to complete**  
42 **training specified by the commission if the commission finds, or has reasonable grounds to**  
43 **believe, that the registrant or representative of the registrant:**

44 **“(a) Has violated a provision of ORS 475B.010 to 475B.545 or a rule adopted under ORS**  
45 **475B.010 to 475B.545;**

1       **“(b) Has made any false representation or statement to the commission in order to in-**  
2 **duce or prevent action by the commission;**

3       **“(c) Is insolvent or incompetent or physically unable to carry on the management of the**  
4 **medical marijuana processing site or medical marijuana dispensary;**

5       **“(d) Is in the habit of using alcoholic liquor, habit-forming drugs, marijuana or controlled**  
6 **substances to excess;**

7       **“(e) Has misrepresented to a registry identification cardholder, a consumer or the public**  
8 **any marijuana items transferred by the registrant or representative of the registrant; or**

9       **“(f) Since the issuance of a registration under section 3 or 4 of this 2021 Act, has been**  
10 **convicted of a felony, a violation of any marijuana laws of this state or ordinances of a local**  
11 **government in this state or a misdemeanor if the felony, violation or misdemeanor was**  
12 **committed on the premises for which the registration was issued.**

13       **“(3) The commission may adopt rules as necessary to carry out this section.**

14       **“SECTION 6. (1) In addition to any other penalty provided by law, the Oregon Liquor**  
15 **Control Commission may impose, for each violation of ORS 475B.010 to 475B.545 or of a rule**  
16 **adopted under ORS 475B.010 to 475B.545, by a medical marijuana processing site or medical**  
17 **marijuana dispensary, a civil penalty that does not exceed \$500 for each day that the violation**  
18 **occurs.**

19       **“(2) The commission shall impose civil penalties under this section in the manner pro-**  
20 **vided in ORS 183.745.**

21       **“(3) All moneys collected pursuant to this section shall be deposited into the Marijuana**  
22 **Control and Regulation Fund established under ORS 475B.296.**

23       **“SECTION 7. ORS 90.396 is amended to read:**

24       **“90.396. (1) Except as provided in subsection (2) of this section, after at least 24 hours’ written**  
25 **notice specifying the acts and omissions constituting the cause and specifying the date and time of**  
26 **the termination, the landlord may terminate the rental agreement and take possession as provided**  
27 **in ORS 105.105 to 105.168, if:**

28       **“(a) The tenant, someone in the tenant’s control or the tenant’s pet seriously threatens to inflict**  
29 **substantial personal injury, or inflicts any substantial personal injury, upon a person on the prem-**  
30 **ises other than the tenant;**

31       **“(b) The tenant or someone in the tenant’s control recklessly endangers a person on the prem-**  
32 **ises other than the tenant by creating a serious risk of substantial personal injury;**

33       **“(c) The tenant, someone in the tenant’s control or the tenant’s pet inflicts any substantial**  
34 **personal injury upon a neighbor living in the immediate vicinity of the premises;**

35       **“(d) The tenant or someone in the tenant’s control intentionally inflicts any substantial damage**  
36 **to the premises or the tenant’s pet inflicts substantial damage to the premises on more than one**  
37 **occasion;**

38       **“(e)(A) The tenant intentionally provided substantial false information on the application for the**  
39 **tenancy within the past year;**

40       **“(B) The false information was with regard to a criminal conviction of the tenant that would**  
41 **have been material to the landlord’s acceptance of the application; and**

42       **“(C) The landlord terminates the rental agreement within 30 days after discovering the falsity**  
43 **of the information; or**

44       **“(f) The tenant, someone in the tenant’s control or the tenant’s pet commits any act that is**  
45 **outrageous in the extreme, on the premises or in the immediate vicinity of the premises. For pur-**

1 poses of this paragraph, an act is outrageous in the extreme if the act is not described in paragraphs  
2 (a) to (e) of this subsection, but is similar in degree and is one that a reasonable person in that  
3 community would consider to be so offensive as to warrant termination of the tenancy within 24  
4 hours, considering the seriousness of the act or the risk to others. An act that is outrageous in the  
5 extreme is more extreme or serious than an act that warrants a 30-day termination under ORS  
6 90.392. Acts that are ‘outrageous in the extreme’ include, but are not limited to, the following acts  
7 by a person:

8 “(A) Prostitution, commercial sexual solicitation or promoting prostitution, as described in ORS  
9 167.007, 167.008 and 167.012;

10 “(B) Unlawful manufacture, delivery or possession of a controlled substance, as defined in ORS  
11 475.005;

12 “(C) Manufacture of a cannabinoid extract, as defined in ORS 475B.015, unless the person man-  
13 ufacturing the cannabinoid extract holds a license issued under ORS 475B.090 or is registered under  
14 [ORS 475B.840] **section 3 of this 2021 Act**;

15 “(D) A bias crime, as described in ORS 166.155 and 166.165; or

16 “(E) Burglary as described in ORS 164.215 and 164.225.

17 “(2) If the cause for a termination notice given pursuant to subsection (1) of this section is based  
18 upon the acts of the tenant’s pet, the tenant may cure the cause and avoid termination of the  
19 tenancy by removing the pet from the premises prior to the end of the notice period. The notice  
20 must describe the right of the tenant to cure the cause. If the tenant returns the pet to the premises  
21 at any time after having cured the violation, the landlord, after at least 24 hours’ written notice  
22 specifying the subsequent presence of the offending pet, may terminate the rental agreement and  
23 take possession as provided in ORS 105.105 to 105.168. The tenant does not have a right to cure this  
24 subsequent violation.

25 “(3) For purposes of subsection (1) of this section, someone is in the tenant’s control if that  
26 person enters or remains on the premises with the tenant’s permission or consent after the tenant  
27 reasonably knows or should know of that person’s act or likelihood to commit any act of the type  
28 described in subsection (1) of this section.

29 “(4) An act can be proven to be outrageous in the extreme even if the act is one that does not  
30 violate a criminal statute. Notwithstanding the references to criminal statutes in subsection (1)(f)  
31 of this section, the landlord’s burden of proof in an action for possession under subsection (1) of this  
32 section is the civil standard of proof by a preponderance of the evidence.

33 “(5) If a good faith effort by a landlord to terminate the tenancy under subsection (1)(f) of this  
34 section and to recover possession of the rental unit under ORS 105.105 to 105.168 fails by decision  
35 of the court, the landlord may not be found in violation of any state statute or local ordinance re-  
36 quiring the landlord to remove that tenant upon threat of fine, abatement or forfeiture as long as  
37 the landlord continues to make a good faith effort to terminate the tenancy.

38 “**SECTION 8.** ORS 323.505, as amended by section 12, chapter 525, Oregon Laws 2019, is  
39 amended to read:

40 “323.505. (1) A tax is hereby imposed upon the distribution of all tobacco products in this state.  
41 The tax imposed by this section is intended to be a direct tax on the consumer, for which payment  
42 upon distribution is required to achieve convenience and facility in the collection and administration  
43 of the tax. The tax shall be imposed on a distributor at the time the distributor distributes tobacco  
44 products.

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

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

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

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

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

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

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

22 “(a) Marketed and sold solely for the purpose of vaporizing or aerosolizing marijuana items as  
23 defined in ORS 475B.015; or

24 “(b) Purchased in a medical marijuana dispensary that is registered under [*ORS 475B.858*] **sec-**  
25 **tion 4 of this 2021 Act** by a person to whom a registry identification card has been issued under  
26 ORS 475B.797.

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

29 “**SECTION 9.** ORS 475B.063 is amended to read:

30 “475B.063. (1) Prior to receiving a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105,  
31 an applicant shall request a land use compatibility statement from the city or county that authorizes  
32 the land use. The land use compatibility statement must demonstrate that the requested license is  
33 for a land use that is allowable as a permitted or conditional use within the given zoning designation  
34 where the land is located. The Oregon Liquor Control Commission may not issue a license if the  
35 land use compatibility statement shows that the proposed land use is prohibited in the applicable  
36 zone.

37 “(2) Except as provided in subsection (3) of this section, a city or county that receives a request  
38 for a land use compatibility statement under this section must act on that request within 21 days  
39 of:

40 “(a) Receipt of the request, if the land use is allowable as an outright permitted use; or

41 “(b) Final local permit approval, if the land use is allowable as a conditional use.

42 “(3) A city or county that receives a request for a land use compatibility statement under this  
43 section is not required to act on that request during the period that the commission discontinues  
44 licensing those premises pursuant to ORS 475B.968 (4)[(b)].

45 “(4) A city or county action concerning a land use compatibility statement under this section

1 is not a land use decision for purposes of ORS chapter 195, 196, 197, 215 or 227.

2 “**SECTION 10.** ORS 475B.167 is amended to read:

3 “475B.167. (1) The Oregon Liquor Control Commission shall adopt by rule procedures by  
4 which[.]

5 “[*(a)*] a person responsible for a marijuana grow site registered under ORS 475B.810, or, if mul-  
6 tiple persons responsible for a marijuana grow site registered under ORS 475B.810 are located at  
7 the same address, each person responsible for a marijuana grow site located at the address, may  
8 apply for a license under ORS 475B.070 to transition from being registered by the Oregon Health  
9 Authority to being licensed by the commission[.]

10 “[*(b)*] *A marijuana processing site registered under ORS 475B.840 may apply for a license under*  
11 *ORS 475B.090 to transition from being registered by the authority to being licensed by the commission;*  
12 *and]*

13 “[*(c)*] *A medical marijuana dispensary registered under ORS 475B.858 may apply for a license un-*  
14 *der ORS 475B.105 to transition from being registered by the authority to being licensed by the com-*  
15 *mission].*

16 “(2)(a) In adopting rules under this section, the commission shall adopt, at a minimum, proce-  
17 dures by which the inventory possessed by a person responsible for a marijuana grow site[, *a*  
18 *marijuana processing site or a medical marijuana dispensary*] on the date on which the person re-  
19 sponsible for a marijuana grow site[, *the marijuana processing site or the medical marijuana*  
20 *dispensary*] is first subject to tracking by the commission under ORS 475B.177:

21 “(A) May be delivered to a premises for which a license has been issued under ORS 475B.090,  
22 475B.100 or 475B.105; or

23 “(B) May be sold to consumers by marijuana retailers that hold a license under ORS 475B.105.

24 “(b) Procedures adopted under this subsection must require a person responsible for a marijuana  
25 grow site registered under ORS 475B.810, or, if multiple persons responsible for a marijuana grow  
26 site registered under ORS 475B.810 are located at the same address, each person responsible for a  
27 marijuana grow site located at the address, to return to an individual to whom a registry identifi-  
28 cation card has been issued under ORS 475B.797, and for whom the person or persons are producing  
29 marijuana, all the marijuana and usable marijuana owned by the individual, except as otherwise al-  
30 lowed under a personal agreement entered into under ORS 475B.822, at the time that the person or  
31 the persons receive a license under ORS 475B.070.

32 “**SECTION 11.** ORS 475B.206 is amended to read:

33 “475B.206. (1) Except as provided in ORS 475B.136 [*and 475B.873*] **and rules adopted pursuant**  
34 **to ORS 475B.070**, a marijuana producer that holds a license issued under ORS 475B.070, marijuana  
35 processor that holds a license issued under ORS 475B.090 or marijuana wholesaler that holds a li-  
36 cense issued under ORS 475B.100 may deliver marijuana items only to or on a premises for which  
37 a license has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105, or to a registry  
38 identification cardholder or designated primary caregiver as allowed under ORS 475B.010 to  
39 475B.545.

40 “(2) A licensee to which marijuana items may be delivered under subsection (1) of this section  
41 may receive marijuana items only from:

42 “(a) A marijuana producer that holds a license issued under ORS 475B.070, marijuana processor  
43 that holds a license issued under ORS 475B.090, marijuana wholesaler that holds a license issued  
44 under ORS 475B.100, marijuana retailer that holds a license issued under ORS 475B.105 or a labo-  
45 ratory licensed under ORS 475B.560;

1 “(b) A researcher of cannabis that holds a certificate issued under ORS 475B.286 and that  
2 transfers limited amounts of marijuana, usable marijuana, cannabinoid products, cannabinoid con-  
3 centrates and cannabinoid extracts in accordance with procedures adopted under ORS 475B.286  
4 (3)(d) and (e);

5 “(c) A marijuana grow site registered under ORS 475B.810, [*marijuana processing site registered*  
6 *under ORS 475B.840, or a medical marijuana dispensary registered under ORS 475B.858,*] acting in  
7 accordance with procedures adopted by the Oregon Liquor Control Commission under ORS 475B.167;  
8 [or]

9 “(d) A marijuana grow site registered under ORS 475B.810, acting in accordance with ORS  
10 475B.825 and any procedures adopted by rule by the commission; **or**

11 **“(e) A medical marijuana processing site registered under section 3 of this 2021 Act or**  
12 **a medical marijuana dispensary registered under section 4 of this 2021 Act.**

13 “(3) The sale of marijuana items by a marijuana retailer that holds a license issued under ORS  
14 475B.105 must be restricted to the premises for which the license has been issued, but deliveries  
15 may be made by a marijuana retailer to consumers pursuant to a bona fide order received at the  
16 premises prior to delivery.

17 “(4) The commission may by order waive the requirements of subsections (1) and (2) of this  
18 section to ensure compliance with ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010  
19 to 475B.545. An order issued under this subsection does not constitute a waiver of any other re-  
20 quirement of ORS 475B.010 to 475B.545 or any other rule adopted under ORS 475B.010 to 475B.545.

21 **“SECTION 12.** ORS 475B.286 is amended to read:

22 **“475B.286.** (1) The Oregon Liquor Control Commission, in consultation with the Oregon Health  
23 Authority and the State Department of Agriculture, shall establish a program for the purpose of  
24 identifying and certifying private and public researchers of cannabis.

25 “(2)(a) The authority shall assist the commission in identifying candidates for certification under  
26 this section with respect to potential medical research.

27 “(b) The department shall assist the commission in identifying candidates for certification under  
28 this section with respect to potential agricultural research.

29 “(3) Subject to subsection (4) of this section, the commission shall adopt by rule or order:

30 “(a) Qualifications for certification under this section;

31 “(b) The term of a certificate issued under this section;

32 “(c) Processes for applying for, receiving and renewing a certificate under this section;

33 “(d) Procedures for tracking marijuana, usable marijuana, cannabinoid products, cannabinoid  
34 concentrates and cannabinoid extracts received by and disposed or otherwise made use of by a  
35 person that holds a certificate issued under this section; and

36 “(e) Procedures for disposing or otherwise making use of marijuana, usable marijuana,  
37 cannabinoid products, cannabinoid concentrates and cannabinoid extracts.

38 “(4) In establishing qualifications under subsection (3) of this section, the commission shall  
39 consider the following:

40 “(a) A research applicant’s access to funding and the overall cost of the proposed research;

41 “(b) The overall benefit of an applicant’s proposed research to this state’s cannabis industry or  
42 to public health and safety; and

43 “(c) Legal barriers to conducting the proposed research or legal risks associated with conduct-  
44 ing the proposed research.

45 “(5) In adopting procedures under subsection (3)(d) and (e) of this section with respect to making

1 use of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and  
2 cannabinoid extracts, the commission shall also adopt procedures by which a person that holds a  
3 certificate issued under this section may transfer limited amounts of marijuana, usable marijuana,  
4 cannabinoid products, cannabinoid concentrates and cannabinoid extracts to another person that  
5 holds a certificate issued under this section or to a premises for which a license has been issued  
6 under ORS 475B.070, 475B.090, 475B.100 or 475B.105.

7 “(6) In adopting procedures under subsection (3)(d) and (e) of this section with respect to making  
8 use of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and  
9 cannabinoid extracts, the commission shall also adopt procedures by which a person that holds a  
10 certificate issued under this section may give, devise or bequest usable marijuana, immature  
11 marijuana plants, marijuana seeds, cannabinoid products, cannabinoid concentrates and cannabinoid  
12 extracts to a medical marijuana dispensary registered [*with the authority under ORS 475B.858*] **un-**  
13 **der section 4 of this 2021 Act** and owned by a nonprofit corporation organized under ORS chapter  
14 65 [*for purposes described in ORS 475B.873*].

15 “(7) A person that holds a certificate issued under this section:

16 “(a) May receive marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates  
17 and cannabinoid extracts from a licensee or a registrant under ORS 475B.785 to 475B.949; and

18 “(b) May not sell or otherwise transfer marijuana, usable marijuana, cannabinoid products,  
19 cannabinoid concentrates or cannabinoid extracts to any other person, except as provided in this  
20 section and rules adopted by the commission under this section.

21 “(8) Except as otherwise provided by the commission by rule, rules adopted under ORS 475B.010  
22 to 475B.545 with respect to licensees and licensee representatives apply to persons that hold a cer-  
23 tificate issued under this section and persons employed by or who otherwise perform work for per-  
24 sons that hold a certificate issued under this section.

25 “(9) A person that holds a certificate issued under this section, and an employee of or other  
26 person who performs work for a person that holds a certificate issued under this section, is exempt  
27 from the criminal laws of this state for possession, delivery or manufacture of marijuana, aiding and  
28 abetting another in the possession, delivery and manufacture of marijuana, or any other criminal  
29 offense in which possession, delivery or manufacture of marijuana is an element, while performing  
30 activities related to conducting research as described in this section.

31 “**SECTION 13.** ORS 475B.301 is amended to read:

32 “475B.301. ORS 475B.025, 475B.030, 475B.033, 475B.035, 475B.040, 475B.045, 475B.050, 475B.055,  
33 475B.060, 475B.063, 475B.065, 475B.068, 475B.070, 475B.085, 475B.090, 475B.100, 475B.105, 475B.115,  
34 475B.119, 475B.136, 475B.139, 475B.144, 475B.146, 475B.154, 475B.158, 475B.163, 475B.173, 475B.177,  
35 475B.206, 475B.211, 475B.216, 475B.224, 475B.232, 475B.236, 475B.241, 475B.246, 475B.256, 475B.261,  
36 475B.266, 475B.276, 475B.281, 475B.286, 475B.296, 475B.461, 475B.474, 475B.479, 475B.486, 475B.491,  
37 475B.501, 475B.506, 475B.514, 475B.518, 475B.521, 475B.523, 475B.526 and 475B.529 do not apply:

38 “(1) To the production or storage of homegrown plants in the genus Cannabis within the plant  
39 family Cannabaceae that are otherwise subject to ORS 475B.010 to 475B.545 at a household by one  
40 or more persons 21 years of age and older, if the total amount of homegrown plants at the household  
41 does not exceed four plants at any time.

42 “(2) To the possession or storage of usable marijuana items at a household by one or more  
43 persons 21 years of age or older, if the total amount of usable marijuana at the household does not  
44 exceed eight ounces of usable marijuana at any time.

45 “(3) To the making, processing, possession or storage of cannabinoid products at a household

1 by one or more persons 21 years of age and older, if the total amount of cannabinoid products at  
2 the household does not exceed 16 ounces in solid form at any time.

3 “(4) To the making, processing, possession or storage of cannabinoid products at a household  
4 by one or more persons 21 years of age and older, if the total amount of cannabinoid products at  
5 the household does not exceed 72 ounces in liquid form at any time.

6 “(5) To the making, processing, possession or storage of cannabinoid concentrates at a house-  
7 hold by one or more persons 21 years of age or older, if the total amount of cannabinoid concen-  
8 trates at the household does not exceed 16 ounces at any time.

9 “(6) To the possession of cannabinoid extracts at a household by one or more persons 21 years  
10 of age or older, if the cannabinoid extracts were purchased from a marijuana retailer that holds a  
11 license under ORS 475B.105, or transferred by a medical marijuana dispensary registered [*by the*  
12 *Oregon Health Authority under ORS 475B.858*] **under section 4 of this 2021 Act**, and the total  
13 amount of cannabinoid extracts at the household does not exceed one ounce at any time.

14 “(7) To the delivery of not more than one ounce of usable marijuana at a time by a person 21  
15 years of age or older to another person 21 years of age or older for noncommercial purposes.

16 “(8) To the delivery of not more than 16 ounces of cannabinoid products in solid form at a time  
17 by a person 21 years of age or older to another person 21 years of age or older for noncommercial  
18 purposes.

19 “(9) To the delivery of not more than 72 ounces of cannabinoid products in liquid form at a time  
20 by a person 21 years of age or older to another person 21 years of age or older for noncommercial  
21 purposes.

22 “(10) To the delivery of not more than 16 ounces of cannabinoid concentrates at a time by a  
23 person 21 years of age or older to another person 21 years of age or older for noncommercial pur-  
24 poses.

25 “**SECTION 14.** ORS 475B.496 is amended to read:

26 “475B.496. (1) The governing body of a city or county may repeal an ordinance that prohibits  
27 the establishment of any one or more of the following in the area subject to the jurisdiction of the  
28 city or in the unincorporated area subject to the jurisdiction of the county:

29 “(a) **Medical** marijuana processing sites registered under [*ORS 475B.840*] **section 3 of this 2021**  
30 **Act**;

31 “(b) Medical marijuana dispensaries registered under [*ORS 475B.858*] **section 4 of this 2021**  
32 **Act**;

33 “(c) Marijuana producers that hold a license issued under ORS 475B.070;

34 “(d) Marijuana processors that hold a license issued under ORS 475B.090;

35 “(e) Marijuana wholesalers that hold a license issued under ORS 475B.100;

36 “(f) Marijuana retailers that hold a license issued under ORS 475B.105;

37 “(g) Marijuana producers that hold a license issued under ORS 475B.070 and that the Oregon  
38 Liquor Control Commission has designated as an exclusively medical licensee under ORS 475B.122;

39 “(h) Marijuana processors that hold a license issued under ORS 475B.090 and that the commis-  
40 sion has designated as an exclusively medical licensee under ORS 475B.127;

41 “(i) Marijuana wholesalers that hold a license issued under ORS 475B.100 and that the com-  
42 mission has designated as an exclusively medical licensee under ORS 475B.129;

43 “(j) Marijuana retailers that hold a license issued under ORS 475B.105 and that the commission  
44 has designated as an exclusively medical licensee under ORS 475B.131; or

45 “(k) Any combination of the entities described in this subsection.

1 “(2) If the governing body of a city or county repeals an ordinance under this section, the gov-  
2 erning body must provide the text of the ordinance:

3 “[*(a)* To the Oregon Health Authority, in a form and manner prescribed by the authority, if the  
4 ordinance concerns a medical marijuana dispensary registered under ORS 475B.858 or a marijuana  
5 processing site registered under ORS 475B.840; or]

6 “[*(b)(A)*] (a) To the commission, in a form and manner prescribed by the commission, if the or-  
7 dinance concerns a premises for which a license **or registration** has been issued under ORS  
8 475B.010 to 475B.545; and

9 “[*(B)*] (b) To the Oregon Department of Administrative Services, in a form and manner pre-  
10 scribed by the department, within 30 days of enactment of the repeal of the ordinance, if the ordi-  
11 nance concerns a premises for which issuance of a license is required under ORS 475B.070, 475B.090,  
12 475B.100 or 475B.105.

13 “**SECTION 15.** ORS 475B.605 is amended to read:

14 “475B.605. (1) As is necessary to protect the public health and safety, and in consultation with  
15 the Oregon Health Authority and the State Department of Agriculture, the Oregon Liquor Control  
16 Commission shall adopt rules establishing standards for the labeling of marijuana items, including  
17 but not limited to:

18 “(a) Ensuring that usable marijuana, cannabinoid concentrates and extracts, cannabinoid edibles  
19 and other cannabinoid products have labeling that communicates:

20 “(A) Health and safety warnings;

21 “(B) If applicable, activation time;

22 “(C) Potency;

23 “(D) For cannabinoid products and cannabinoid concentrates and extracts, serving size and the  
24 number of servings included in a cannabinoid product or cannabinoid concentrate or extract pack-  
25 age; and

26 “(E) Content of the marijuana item; and

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

30 “[*(2)* In adopting rules under ORS 475B.785 to 475B.949, the authority shall require all usable  
31 marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical  
32 marijuana dispensary registered under ORS 475B.858 to be labeled in accordance with subsection (1)  
33 of this section and rules adopted under subsection (1) of this section.]

34 “[*(3)*] (2) In adopting rules under ORS 475B.010 to 475B.545, the commission shall require all  
35 usable marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or trans-  
36 ferred by a marijuana retailer that holds a license issued under ORS 475B.105 **or a medical**  
37 **marijuana dispensary registered under section 4 of this 2021 Act** to be labeled in accordance  
38 with subsection (1) of this section and rules adopted under subsection (1) of this section.

39 “[*(4)*] (3) In adopting rules under subsection (1) of this section, the commission:

40 “(a) May establish different labeling standards for different varieties of usable marijuana and for  
41 different types of cannabinoid products and cannabinoid concentrates and extracts;

42 “[*(b)* May establish different minimum labeling standards for persons registered under ORS  
43 475B.785 to 475B.949 and persons licensed under ORS 475B.010 to 475B.545;]

44 “[*(c)*] (b) Shall consider the cost of a potential requirement and how that cost will affect the cost  
45 to the ultimate consumer of the marijuana item; and

1       “[(d)] (c) May not adopt rules that are more restrictive than is reasonably necessary to protect  
2 the public health and safety.

3       “**SECTION 16.** ORS 475B.615 is amended to read:

4       “475B.615. (1) As is necessary to protect the public health and safety, and in consultation with  
5 the Oregon Health Authority and the State Department of Agriculture, the Oregon Liquor Control  
6 Commission shall adopt rules establishing standards for the packaging of marijuana items, including  
7 but not limited to:

8       “(a) Ensuring that usable marijuana, cannabinoid concentrates and extracts, cannabinoid edibles  
9 and other cannabinoid products are:

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

11       “(B) Not marketed in a manner that:

12       “(i) Is untruthful or misleading;

13       “(ii) Is attractive to minors; or

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

15       “(b) Ensuring that cannabinoid edibles and other cannabinoid products are not packaged in a  
16 manner that is attractive to minors.

17       “[(2) *In adopting rules under ORS 475B.785 to 475B.949, the authority shall require all usable*  
18 *marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical*  
19 *marijuana dispensary registered under ORS 475B.858 to be packaged in accordance with subsection*  
20 *(1) of this section and rules adopted under subsection (1) of this section.*]

21       “[(3)] (2) In adopting rules under ORS 475B.010 to 475B.545, the commission shall require all  
22 usable marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or trans-  
23 ferred by a marijuana retailer that holds a license under ORS 475B.105 **or a medical marijuana**  
24 **dispensary registered under section 4 of this 2021 Act** to be packaged in accordance with sub-  
25 section (1) of this section and rules adopted under subsection (1) of this section.

26       “[(4)] (3) In adopting rules under subsection (1) of this section, the commission:

27       “(a) May establish different packaging standards for different varieties of usable marijuana and  
28 for different types of cannabinoid products and cannabinoid concentrates and extracts;

29       “[(b) *May establish different minimum packaging standards for persons registered under ORS*  
30 *475B.785 to 475B.949 and persons licensed under ORS 475B.010 to 475B.545;*]

31       “[(c)] (b) May consider the effect on the environment of requiring certain packaging;

32       “[(d)] (c) Shall consider the cost of a potential requirement and how that cost will affect the cost  
33 to the ultimate consumer of the marijuana item; and

34       “[(e)] (d) May not adopt rules that are more restrictive than is reasonably necessary to protect  
35 the public health and safety.

36       “**SECTION 17.** ORS 475B.625 is amended to read:

37       “475B.625. (1) The Oregon Health Authority shall adopt rules establishing:

38       “(a) The maximum concentration of tetrahydrocannabinol that is permitted in a single serving  
39 of a cannabinoid product or cannabinoid concentrate or extract; and

40       “(b) The number of servings that are permitted in a **package of** cannabinoid product or  
41 cannabinoid concentrate or extract [*package*].

42       “(2)(a) In adopting rules under subsection (1)(a) of this section, the authority shall prescribe the  
43 different levels of concentration of tetrahydrocannabinol that is permitted in a single serving of a  
44 cannabinoid product or cannabinoid concentrate or extract for:

45       “(A) Consumers who hold a valid registry identification card issued under ORS 475B.797; and

1 “(B) Consumers who do not hold a valid registry identification card issued under ORS 475B.797.  
2 “(b) In prescribing the levels of concentration of tetrahydrocannabinol that is permitted in a  
3 single serving of a cannabinoid product or cannabinoid concentrate or extract for consumers who  
4 hold a valid registry identification card issued under ORS 475B.797, the authority shall consider the  
5 appropriate level of concentration necessary to mitigate the symptoms or effects of a debilitating  
6 medical condition, as defined in ORS 475B.791.  
7 “[*(3) In adopting rules under ORS 475B.785 to 475B.949, the authority shall require all usable*  
8 *marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical*  
9 *marijuana dispensary registered under ORS 475B.858 to meet the concentration standards and pack-*  
10 *aging standards adopted by rule pursuant to this section.*]  
11 “[*(4)*] **(3)** In adopting rules under ORS 475B.010 to 475B.545, the Oregon Liquor Control Com-  
12 mission shall **consult with the authority and** require all usable marijuana, cannabinoid products  
13 and cannabinoid concentrates and extracts sold or transferred by a marijuana retailer that holds a  
14 license under ORS 475B.105 **or a medical marijuana dispensary registered under section 4 of**  
15 **this 2021 Act** to meet the concentration standards and [*packaging*] **servings per package** standards  
16 adopted by rule pursuant to this section.  
17 “**SECTION 18.** ORS 475B.635 is amended to read:  
18 “475B.635. To ensure compliance with ORS 475B.600 to 475B.655 and any rule adopted under  
19 ORS 475B.600 to 475B.655, the Oregon Liquor Control Commission may inspect the premises of a  
20 person that holds a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105 **or a registration**  
21 **under section 3 or 4 of this 2021 Act.**  
22 “**SECTION 19.** ORS 475B.766 is amended to read:  
23 “475B.766. A financial institution that provides financial services customarily provided by fi-  
24 nancial institutions pursuant to powers granted by ORS 717.200 to 717.320, 717.900 and 717.905, the  
25 Bank Act or by ORS chapter 723 [*to a marijuana processing site registered under ORS 475B.840, a*  
26 *medical marijuana dispensary registered under ORS 475B.858, a marijuana producer that holds a li-*  
27 *cence under ORS 475B.070, a marijuana processor that holds a license under ORS 475B.090, a*  
28 *marijuana wholesaler that holds a license under ORS 475B.100, a marijuana retailer that holds a li-*  
29 *cence under ORS 475B.105, a laboratory that holds a license under ORS 475B.560 or a person to whom*  
30 *a permit has been issued under ORS 475B.266] is exempt from any criminal law of this state an el-  
31 element of which may be proven by substantiating that a person provides financial services custom-  
32 arily provided by financial institutions pursuant to powers granted by ORS 717.200 to 717.320,  
33 717.900 and 717.905, the Bank Act or ORS chapter 723 to a person who possesses, delivers or man-  
34 ufactures marijuana or marijuana derived products[.] **if the financial services are provided to:**  
35 “**(1) A medical marijuana processing site registered under section 3 of this 2021 Act;**  
36 “**(2) A medical marijuana dispensary registered under section 4 of this 2021 Act;**  
37 “**(3) A marijuana producer that holds a license under ORS 475B.070;**  
38 “**(4) A marijuana processor that holds a license under ORS 475B.090;**  
39 “**(5) A marijuana wholesaler that holds a license under ORS 475B.100;**  
40 “**(6) A marijuana retailer that holds a license under ORS 475B.105;**  
41 “**(7) A laboratory that holds a license under ORS 475B.560; or**  
42 “**(8) A person to whom a permit has been issued under ORS 475B.266.**  
43 “**SECTION 20.** ORS 475B.791 is amended to read:  
44 “475B.791. As used in ORS 475B.785 to 475B.949:  
45 “(1) ‘Attending physician’ means a physician licensed under ORS chapter 677 who has primary*

1 responsibility for the care and treatment of a person diagnosed with a debilitating medical condition.

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

4 “(3) ‘Cannabinoid concentrate’ means a substance obtained by separating cannabinoids from  
5 marijuana by:

6 “(a) A mechanical extraction process;

7 “(b) A chemical extraction process using a nonhydrocarbon-based solvent, such as vegetable  
8 glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;

9 “(c) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, provided  
10 that the process does not involve the use of high heat or pressure; or

11 “(d) Any other process identified by the Oregon Health Authority, in consultation with the  
12 Oregon Liquor Control Commission, by rule.

13 “(4) ‘Cannabinoid edible’ means food or potable liquid into which a cannabinoid concentrate,  
14 cannabinoid extract or dried leaves or flowers of marijuana have been incorporated.

15 “(5) ‘Cannabinoid extract’ means a substance obtained by separating cannabinoids from  
16 marijuana by:

17 “(a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane  
18 or propane;

19 “(b) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, if the  
20 process uses high heat or pressure; or

21 “(c) Any other process identified by the Oregon Health Authority, in consultation with the  
22 Oregon Liquor Control Commission, by rule.

23 “(6) ‘Debilitating medical condition’ means:

24 “(a) Cancer, glaucoma, a degenerative or pervasive neurological condition, positive status for  
25 human immunodeficiency virus or acquired immune deficiency syndrome, or a side effect related to  
26 the treatment of those medical conditions;

27 “(b) A medical condition or treatment for a medical condition that produces, for a specific pa-  
28 tient, one or more of the following:

29 “(A) Cachexia;

30 “(B) Severe pain;

31 “(C) Severe nausea;

32 “(D) Seizures, including seizures caused by epilepsy; or

33 “(E) Persistent muscle spasms, including spasms caused by multiple sclerosis;

34 “(c) Post-traumatic stress disorder; or

35 “(d) Any other medical condition or side effect related to the treatment of a medical condition  
36 adopted by the Oregon Health Authority by rule or approved by the authority pursuant to a petition  
37 filed under ORS 475B.946.

38 “(7)(a) ‘Delivery’ has the meaning given that term in ORS 475.005.

39 “(b) ‘Delivery’ does not include transfer of marijuana by a registry identification cardholder to  
40 another registry identification cardholder if no consideration is paid for the transfer.

41 “(8)(a) ‘Designated primary caregiver’ means an individual:

42 “(A) Who is 18 years of age or older;

43 “(B) Who has significant responsibility for managing the well-being of a person who has been  
44 diagnosed with a debilitating medical condition; and

45 “(C) Who is designated as the person responsible for managing the well-being of a person who

1 has been diagnosed with a debilitating medical condition on that person’s application for a registry  
2 identification card or in other written notification submitted to the authority.

3 “(b) ‘Designated primary caregiver’ does not include a person’s attending physician.

4 “(9) ‘High heat’ means a temperature exceeding 180 degrees.

5 “(10) ‘Immature marijuana plant’ means a marijuana plant that is not flowering.

6 “(11)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae, any part of the plant  
7 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

8 “(b) ‘Marijuana’ does not include:

9 “(A) Industrial hemp, as defined in ORS 571.269; or

10 “(B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one  
11 or more cannabinoids, that are approved by the United States Food and Drug Administration and  
12 dispensed by a pharmacy, as defined in ORS 689.005.

13 “(12) ‘Marijuana grow site’ means a location registered under ORS 475B.810 where marijuana  
14 is produced for use by a registry identification cardholder.

15 “[13] *‘Marijuana processing site’ means a marijuana processing site registered under ORS*  
16 *475B.840 or a site for which an applicant has submitted an application for registration under ORS*  
17 *475B.840.*]

18 “[14] **(13)** ‘Mature marijuana plant’ means a marijuana plant that is not an immature marijuana  
19 plant.

20 “[15(a)] **(14)(a)** ‘Medical cannabinoid product’ means a cannabinoid edible and any other prod-  
21 uct intended for human consumption or use, including a product intended to be applied to a person’s  
22 skin or hair, that contains cannabinoids or dried leaves or flowers of marijuana.

23 “(b) ‘Medical cannabinoid product’ does not include:

24 “(A) Usable marijuana by itself;

25 “(B) A cannabinoid concentrate by itself;

26 “(C) A cannabinoid extract by itself; or

27 “(D) Industrial hemp, as defined in ORS 571.269.

28 “[16] *‘Medical marijuana dispensary’ means a medical marijuana dispensary registered under*  
29 *ORS 475B.858 or a site for which an applicant has submitted an application for registration under*  
30 *ORS 475B.858.*]

31 “[17] **(15)** ‘Medical use of marijuana’ means the production, processing, possession, delivery or  
32 administration of marijuana, or use of paraphernalia used to administer marijuana, to mitigate the  
33 symptoms or effects of a debilitating medical condition.

34 “[18] **(16)** ‘Person designated to produce marijuana by a registry identification cardholder’  
35 means a person designated to produce marijuana by a registry identification cardholder under ORS  
36 475B.810 who produces marijuana for a registry identification cardholder at an address other than  
37 the address where the registry identification cardholder resides or at an address where more than  
38 12 mature marijuana plants are produced.

39 “[19] *‘Process’ means the compounding or conversion of marijuana into medical cannabinoid pro-*  
40 *ducts, cannabinoid concentrates or cannabinoid extracts.*]

41 “[20] **(17)** ‘Production’ means:

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

43 “(b) Drying marijuana leaves or flowers.

44 “[21] **(18)** ‘Registry identification card’ means a document issued by the Oregon Health Au-  
45 thority under ORS 475B.797 that identifies a person authorized to engage in the medical use of

1 marijuana and, if the person has a designated primary caregiver under ORS 475B.804, the person's  
2 designated primary caregiver.

3 “[22] (19) ‘Registry identification cardholder’ means a person to whom a registry identification  
4 card has been issued under ORS 475B.797.

5 “[23)(a)] (20)(a) ‘Usable marijuana’ means the dried leaves and flowers of marijuana.

6 “(b) ‘Usable marijuana’ does not include:

7 “(A) The seeds, stalks and roots of marijuana; or

8 “(B) Waste material that is a by-product of producing marijuana.

9 “[24)] (21) ‘Written documentation’ means a statement signed by the attending physician of a  
10 person diagnosed with a debilitating medical condition or copies of the person’s relevant medical  
11 records.

12 “**SECTION 21.** ORS 475B.810 is amended to read:

13 “475B.810. (1)(a) The Oregon Health Authority shall establish by rule a marijuana grow site  
14 registration system to track and regulate the production of marijuana by a registry identification  
15 cardholder or a person designated by the registry identification cardholder to produce marijuana for  
16 the registry identification cardholder.

17 “(b) Except as provided in paragraph (c) of this subsection, a person may not produce marijuana  
18 unless the person is registered under this section.

19 “(c) Paragraph (b) of this subsection does not apply to the production of marijuana as provided  
20 in ORS 475B.010 to 475B.545 or as otherwise provided for by the statutory laws of this state.

21 “(2) Rules adopted under this section must require an applicant for a registry identification card,  
22 or a registry identification cardholder who produces marijuana or who designates another person  
23 to produce marijuana, to submit an application to the authority containing the following information  
24 at the time of making an application under ORS 475B.797 (2), renewing a registry identification card  
25 under ORS 475B.797 (6)(b), or notifying the authority of a change under ORS 475B.797 (6)(a):

26 “(a) The name of the person responsible for the marijuana grow site;

27 “(b) Proof that the person is 21 years of age or older;

28 “(c) If the registry identification cardholder or the person responsible for the marijuana grow  
29 site is not the owner of the premises of the marijuana grow site, signed informed consent from the  
30 owner of the premises to register the premises as a marijuana grow site;

31 “(d) The address of the marijuana grow site; and

32 “(e) Any other information that the authority considers necessary to track the production of  
33 marijuana under ORS 475B.785 to 475B.949.

34 “(3)(a) The authority shall conduct a criminal records check under ORS 181A.195 of any person  
35 whose name is submitted under this section as the person responsible for a marijuana grow site.

36 “(b) A person convicted of a Class A or Class B felony under ORS 475.752 to 475.920 for the  
37 manufacture or delivery of a controlled substance in Schedule I or Schedule II may not act as or  
38 be designated a person responsible for a marijuana grow site for two years from the date of con-  
39 viction.

40 “(c) A person convicted more than once of a Class A or Class B felony under ORS 475.752 to  
41 475.920 for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may  
42 not act as or be designated a person responsible for a marijuana grow site.

43 “(4) Subject to subsection (11) of this section, the authority shall issue a marijuana grow site  
44 registration card if the requirements of subsections (2) and (3) of this section are met.

45 “(5) A person who holds a marijuana grow site registration card under this section must display

1 the card at the marijuana grow site at all times.

2 “(6) A marijuana grow site registration card must be obtained and posted for each registry  
3 identification cardholder for whom marijuana is being produced at a marijuana grow site.

4 “(7)(a) All seeds, immature marijuana plants, mature marijuana plants and usable marijuana as-  
5 sociated with the production of marijuana for a registry identification cardholder by a person re-  
6 sponsible for a marijuana grow site are the property of the registry identification cardholder.

7 “(b) All seeds, immature marijuana plants, mature marijuana plants and usable marijuana asso-  
8 ciated with the production of marijuana for a registry identification cardholder by a person re-  
9 sponsible for a marijuana grow site must be transferred to the registry identification cardholder  
10 upon the request of the registry identification cardholder.

11 “(c) All usable marijuana associated with the production of marijuana for a registry identifica-  
12 tion cardholder by a person responsible for a marijuana grow site must be transferred to a **medical**  
13 marijuana processing site **registered under section 3 of this 2021 Act** upon the request of the  
14 registry identification cardholder. For purposes of this paragraph, a request to transfer usable  
15 marijuana constitutes an assignment of the right to possess the usable marijuana.

16 “(d) All seeds, immature marijuana plants and usable marijuana associated with the production  
17 of marijuana for a registry identification cardholder by a person responsible for a marijuana grow  
18 site must be transferred to a medical marijuana dispensary **registered under section 4 of this 2021**  
19 **Act** upon request of the registry identification cardholder. For purposes of this paragraph, a request  
20 to transfer seeds, immature marijuana plants or usable marijuana constitutes an assignment of the  
21 right to possess the seeds, immature marijuana plants or usable marijuana.

22 “(e) Information related to transfers made under this subsection must be submitted to the au-  
23 thority in the manner required by ORS 475B.816.

24 “(8) A registry identification cardholder, or the designated caregiver of a registry identification  
25 cardholder, may reimburse a person responsible for a marijuana grow site for all costs associated  
26 with the production of marijuana for the registry identification cardholder.

27 “(9) The authority may inspect:

28 “(a) The marijuana grow site of a person designated to produce marijuana by a registry iden-  
29 tification cardholder to ensure compliance with this section and ORS 475B.816 and 475B.831 and any  
30 rule adopted under this section and ORS 475B.816 and 475B.831; and

31 “(b) The records of the marijuana grow site of a person designated to produce marijuana by a  
32 registry identification cardholder to ensure compliance with this section and ORS 475B.816 and any  
33 rule adopted under this section and ORS 475B.816.

34 “(10) The authority may refuse to register a registry identification cardholder or a designee  
35 under this section or may suspend or revoke the registration of a person responsible for a marijuana  
36 grow site if the authority determines that the applicant or the person responsible for a marijuana  
37 grow site violated a provision of ORS 475B.785 to 475B.949, a rule adopted under ORS 475B.785 to  
38 475B.949 or an ordinance adopted pursuant to ORS 475B.928.

39 “(11) The authority may require a person responsible for a marijuana grow site, prior to issuing  
40 a marijuana grow site registration card under subsection (4) of this section, to pay a fee reasonably  
41 calculated to pay costs incurred under this section and ORS 475B.816 and 475B.879.

42 “**SECTION 22.** ORS 475B.816 is amended to read:

43 “475B.816. (1) A person designated to produce marijuana by a registry identification cardholder  
44 must submit to the Oregon Health Authority, in a form and manner established by the authority by  
45 rule, the following information related to the production of marijuana:

1 “(a) The number of mature marijuana plants and immature marijuana plants, the amount of  
2 marijuana leaves and flowers being dried, and the amount of usable marijuana, in the person’s pos-  
3 session;

4 “(b) The number of mature marijuana plants and immature marijuana plants, and the amount  
5 of usable marijuana, that the person transfers to each registry identification cardholder for whom  
6 the person produces marijuana;

7 “(c) The amount of usable marijuana that the person transfers to each **medical** marijuana pro-  
8 cessing site **registered under section 3 of this 2021 Act**; and

9 “(d) The number of immature marijuana plants, and the amount of usable marijuana, that the  
10 person transfers to each medical marijuana dispensary **registered under section 4 of this 2021**  
11 **Act**.

12 “(2) The authority shall by rule require a person designated to produce marijuana by a registry  
13 identification cardholder to submit the information described in subsection (1) of this section once  
14 each month. The authority may not employ any method other than that described in this section to  
15 obtain information related to the production of marijuana from a person designated to produce  
16 marijuana by a registry identification cardholder.

17 “(3) In addition to submitting the information as required by subsection (1) of this section, a  
18 person designated to produce marijuana by a registry identification cardholder must keep a record  
19 of the information described in subsection (1) of this section for two years after the date on which  
20 the person submits the information to the authority.

21 “**SECTION 23.** ORS 475B.876 is amended to read:

22 “475B.876. (1) The Oregon Health Authority shall maintain a telephone hotline for the following  
23 persons to inquire if an address is the location of a marijuana grow site[, *marijuana processing site*  
24 *or medical marijuana dispensary*] or is the proposed location of a marijuana grow site[, *marijuana*  
25 *processing site or medical marijuana dispensary*]:

26 “(a) A person designated by a city or a county;

27 “(b) A person designated by the Water Resources Department; and

28 “(c) A person designated by the watermaster of any water district.

29 “(2) The authority may disclose the address of a marijuana grow site for purposes of this section  
30 notwithstanding ORS 475B.882.

31 “**SECTION 24.** ORS 475B.879 is amended to read:

32 “475B.879. (1) The Oregon Health Authority shall develop and maintain a database of informa-  
33 tion related to the production of marijuana by persons designated to produce marijuana by a regis-  
34 try identification cardholder[, *the processing of marijuana by a marijuana processing site under ORS*  
35 *475B.840 and the transfer of usable marijuana, medical cannabinoid products, cannabinoid concen-*  
36 *trates and cannabinoid extracts by medical marijuana dispensaries under ORS 475B.858*]. At a mini-  
37 mum, the database must include the information submitted to the authority under ORS 475B.816[,  
38 *475B.846 and 475B.867*].

39 “(2)(a) Subject to paragraph (c) of this subsection, the authority may provide information that  
40 is stored in the database developed and maintained under this section to a law enforcement agency.

41 “(b) Subject to paragraph (c) of this subsection, the authority may provide information that is  
42 stored in the database developed and maintained under this section to the regulatory agencies of a  
43 city or county.

44 “(c) The authority may not disclose:

45 “(A) Any personally identifiable information related to a registry identification cardholder or a

1 designated primary caregiver that is stored in the database developed and maintained under this  
2 section.

3 “(B) Any information related to the amount and type of usable marijuana[, *medical cannabinoid*  
4 *products, cannabinoid concentrates and cannabinoid extracts*] transferred to or by persons designated  
5 to produce marijuana by a registry identification cardholder[, *marijuana processing sites or medical*  
6 *marijuana dispensaries*].

7 “(3) Nothing in this section prevents a law enforcement agency from lawfully obtaining infor-  
8 mation that is stored in the database developed and maintained under this section by subpoena.

9 “**SECTION 25.** ORS 475B.885 is amended to read:

10 “475B.885. (1) Any personally identifiable information, as defined in ORS 432.005, [*other than a*  
11 *name of an individual or an address submitted with an application under ORS 475B.840 or*  
12 *475B.858,*] that the Oregon Health Authority collects and maintains for purposes of registering a  
13 marijuana grow site under ORS 475B.810[, *a marijuana processing site under ORS 475B.840, or a*  
14 *medical marijuana dispensary under ORS 475B.858,*] is confidential and not subject to public disclo-  
15 sure under ORS 192.311 to 192.478, except that the authority may provide personally identifiable  
16 information to a person registered under ORS 475B.785 to 475B.949 if the registrant requests the  
17 information and the information is related to a designation made under ORS 475B.785 to 475B.949.

18 “(2) Any personally identifiable information, as defined in ORS 432.005, submitted to the au-  
19 thority under ORS 475B.816[, *475B.846 or 475B.867*] or pursuant to ORS 475B.879 is confidential and  
20 not subject to public disclosure under ORS 192.311 to 192.478.

21 “[*(3) Any record that the authority keeps or maintains for purposes related to the installation or*  
22 *maintenance of a security system by a medical marijuana dispensary pursuant to rules adopted under*  
23 *ORS 475B.858 (10) is confidential and not subject to public disclosure under ORS 192.311 to*  
24 *192.478.*]

25 “**SECTION 26.** ORS 475B.888 is amended to read:

26 “475B.888. Notwithstanding ORS 475B.885, if the Oregon Health Authority suspends or revokes  
27 the registration of the marijuana grow site of a person designated to produce marijuana by a reg-  
28 istry identification cardholder[, *a marijuana processing site or a medical marijuana dispensary,*] or  
29 otherwise takes disciplinary action against the marijuana grow site of a person designated to  
30 produce marijuana by a registry identification cardholder[, *a marijuana processing site or a medical*  
31 *marijuana dispensary*], the authority shall provide that information to a law enforcement agency.

32 “**SECTION 27.** ORS 475B.895 is amended to read:

33 “475B.895. (1) The Oregon Health Authority shall enter into an agreement with the Oregon Li-  
34 quor Control Commission under which the commission shall use the system developed and main-  
35 tained under ORS 475B.177 to track:

36 “(a) The propagation of immature marijuana plants and the production of marijuana by  
37 marijuana grow sites;

38 “[*(b) The processing of marijuana into medical cannabinoid products, cannabinoid concentrates*  
39 *and cannabinoid extracts that are transferred to a medical marijuana dispensary;*]

40 “[*(c) (b) The transfer of usable marijuana[,] and immature marijuana plants[, medical*  
41 *cannabinoid products, cannabinoid concentrates and cannabinoid extracts*] by a marijuana grow site  
42 [*or a medical marijuana dispensary*] to a registry identification cardholder or the designated primary  
43 caregiver of a registry identification cardholder; and

44 “[*(d) (c) The transfer of usable marijuana[,] and immature marijuana plants[, medical*  
45 *cannabinoid products, cannabinoid concentrates and cannabinoid extracts*] between marijuana grow

1 sites[, *marijuana processing sites and medical marijuana dispensaries*].

2 “(2) Marijuana grow sites[, *marijuana processing sites and medical marijuana dispensaries*] are  
3 subject to tracking under this section.

4 “(3) On and after the date on which a marijuana grow site becomes subject to tracking under  
5 this section, the person is exempt from the requirements of ORS 475B.816 and the provisions of ORS  
6 475B.810 that relate to ORS 475B.816.

7 “[*(4) On and after the date on which a marijuana processing site becomes subject to tracking under*  
8 *this section, the marijuana processing site is exempt from the requirements of ORS 475B.846 and the*  
9 *provisions of ORS 475B.840 that relate to ORS 475B.846.*]

10 “[*(5) On and after the date on which a medical marijuana dispensary becomes subject to tracking*  
11 *under this section, the medical marijuana dispensary is exempt from the requirements of ORS 475B.867*  
12 *and the provisions of ORS 475B.858 that relate to ORS 475B.867.*]

13 “[*(6)*] (4) The commission may conduct inspections and investigations of alleged violations of  
14 ORS 475B.785 to 475B.949 about which the commission obtains knowledge as a result of performing  
15 the commission’s duties under this section. Notwithstanding ORS 475B.299, the commission may use  
16 regulatory specialists, as defined in ORS 471.001, to conduct the inspections and investigations, in-  
17 cluding inspections and investigations of marijuana grow sites located at a primary residence.

18 “[*(7)*] (5) When imposing a fee on a person responsible for a marijuana grow site[, *marijuana*  
19 *processing site or medical marijuana dispensary*] under ORS 475B.810[, *475B.840 or 475B.858*], the  
20 authority shall impose a fee that is reasonably calculated to pay costs incurred under this section.  
21 As part of the agreement entered into under subsection (1) of this section, the authority shall  
22 transfer fee moneys collected pursuant to this subsection to the commission for deposit in the  
23 Marijuana Control and Regulation Fund established under ORS 475B.296. Moneys collected pursuant  
24 to this subsection and deposited in the Marijuana Control and Regulation Fund are continuously  
25 appropriated to the commission for purposes of this section.

26 “[*(8)*] (6) The authority and the commission may adopt rules as necessary to administer this  
27 section.

28 “[*(9)*] (7) This section does not apply to a marijuana grow site located at an address where:

29 “(a) A registry identification cardholder produces marijuana and no more than 12 mature  
30 marijuana plants and 24 immature marijuana plants are produced; or

31 “(b)(A) No more than two persons are registered under ORS 475B.810 to produce marijuana; and

32 “(B) The address is used to produce marijuana for no more than two registry identification  
33 cardholders.

34 “**SECTION 28.** ORS 475B.895, as amended by section 7a, chapter 103, Oregon Laws 2018, and  
35 section 38, chapter 456, Oregon Laws 2019, is amended to read:

36 “475B.895. (1) The Oregon Health Authority shall enter into an agreement with the Oregon Li-  
37 quor Control Commission under which the commission shall use the system developed and main-  
38 tained under ORS 475B.177 to track:

39 “(a) The propagation of immature marijuana plants and the production of marijuana by  
40 marijuana grow sites;

41 “[*(b) The processing of marijuana into medical cannabinoid products, cannabinoid concentrates*  
42 *and cannabinoid extracts that are transferred to a medical marijuana dispensary;*]

43 “[*(c)*] (b) The transfer of usable marijuana[,] **and** immature marijuana plants[, *medical*  
44 *cannabinoid products, cannabinoid concentrates and cannabinoid extracts*] by a marijuana grow site  
45 [*or a medical marijuana dispensary*] to a registry identification cardholder or the designated primary

1 caregiver of a registry identification cardholder; and

2 “[(d)] (c) The transfer of usable marijuana[,] **and** immature marijuana plants[, *medical*  
3 *cannabinoid products, cannabinoid concentrates and cannabinoid extracts*] between marijuana grow  
4 sites[, *marijuana processing sites and medical marijuana dispensaries*].

5 “(2) Marijuana grow sites[, *marijuana processing sites and medical marijuana dispensaries*] are  
6 subject to tracking under this section.

7 “(3) On and after the date on which a marijuana grow site becomes subject to tracking under  
8 this section, the person is exempt from the requirements of ORS 475B.816 and the provisions of ORS  
9 475B.810 that relate to ORS 475B.816.

10 “[4] *On and after the date on which a marijuana processing site becomes subject to tracking under*  
11 *this section, the marijuana processing site is exempt from the requirements of ORS 475B.846 and the*  
12 *provisions of ORS 475B.840 that relate to ORS 475B.846.*]

13 “[5] *On and after the date on which a medical marijuana dispensary becomes subject to tracking*  
14 *under this section, the medical marijuana dispensary is exempt from the requirements of ORS 475B.867*  
15 *and the provisions of ORS 475B.858 that relate to ORS 475B.867.*]

16 “[6] (4) The commission may conduct inspections and investigations of alleged violations of  
17 ORS 475B.785 to 475B.949 about which the commission obtains knowledge as a result of performing  
18 the commission’s duties under this section. Notwithstanding ORS 475B.299, the commission may use  
19 regulatory specialists, as defined in ORS 471.001, to conduct the inspections and investigations, in-  
20 cluding inspections and investigations of marijuana grow sites located at a primary residence.

21 “[7] (5) Notwithstanding ORS 475B.759, before making any other distribution from the Oregon  
22 Marijuana Account established under ORS 475B.759, the Department of Revenue shall first distrib-  
23 ute moneys quarterly from the account to the commission for deposit in the Marijuana Control and  
24 Regulation Fund established under ORS 475B.296 for purposes of paying administrative, inspection  
25 and investigatory costs incurred by the commission under this section, provided that the amount of  
26 distributed moneys does not exceed \$1.25 million per quarter. For purposes of estimating the amount  
27 of moneys necessary to pay costs incurred under this section, the commission shall establish a  
28 formulary based on expected costs for each marijuana grow site[, *marijuana processing site or med-*  
29 *ical marijuana dispensary*] that is tracked under this section. The commission shall provide to the  
30 Department of Revenue and the Legislative Fiscal Officer before each quarter the estimated amount  
31 of moneys necessary to pay costs expected to be incurred under this section and the formulary.

32 “[8] (6) When imposing a fee on a person responsible for a marijuana grow site[, *marijuana*  
33 *processing site or medical marijuana dispensary*] under ORS 475B.810, [475B.840 or 475B.858,] the  
34 authority shall impose an additional fee that is reasonably calculated to pay costs incurred under  
35 this section other than costs paid pursuant to subsection [(7)] (5) of this section. As part of the  
36 agreement entered into under subsection (1) of this section, the authority shall transfer fee moneys  
37 collected pursuant to this subsection to the commission for deposit in the Marijuana Control and  
38 Regulation Fund established under ORS 475B.296. Moneys collected pursuant to this subsection and  
39 deposited in the Marijuana Control and Regulation Fund are continuously appropriated to the com-  
40 mission for purposes of this section.

41 “[9] (7) The authority and the commission may adopt rules as necessary to administer this  
42 section.

43 “[10] (8) This section does not apply to a marijuana grow site located at an address where:

44 “(a) A registry identification cardholder produces marijuana and no more than 12 mature  
45 marijuana plants and 24 immature marijuana plants are produced; or

1 “(b)(A) No more than two persons are registered under ORS 475B.810 to produce marijuana; and  
2 “(B) The address is used to produce marijuana for no more than two registry identification  
3 cardholders.

4 “**SECTION 29.** ORS 475B.907 is amended to read:

5 “475B.907. Except as provided in ORS 475B.910, a person engaged in or assisting in the medical  
6 use of marijuana is exempt from the criminal laws of this state for possession, delivery or manu-  
7 facture of marijuana, aiding and abetting another in the possession, delivery or manufacture of  
8 marijuana, or any other criminal offense in which possession, delivery or manufacture of marijuana  
9 is an element if:

10 “(1) The person holds a registry identification card.

11 “(2) The person has applied for a registry identification card under ORS 475B.797 and the person  
12 has proof of written documentation described in ORS 475B.797 (2)(a) and proof of the date on which  
13 the person submitted the application to the Oregon Health Authority. An exemption under this  
14 subsection applies only until the authority approves or denies the application.

15 “(3) The person is designated as a primary caregiver under ORS 475B.804.

16 “(4) The person is responsible for or is employed by a marijuana grow site registered under ORS  
17 475B.810.

18 “[*(5) The person owns, is responsible for, or is employed by, a marijuana processing site.*]

19 “[*(6) The person owns, is responsible for, or is employed by, a medical marijuana dispensary.*]

20 “**SECTION 30.** ORS 475B.922 is amended to read:

21 “475B.922. (1) Registration under ORS 475B.785 to 475B.949 or possession of proof of registration  
22 under ORS 475B.785 to 475B.949 does not constitute probable cause to search the person or property  
23 of the registrant or otherwise subject the person or property of the registrant to inspection by a  
24 government agency. However, the Oregon Health Authority may inspect the marijuana grow site  
25 of a person designated to produce marijuana by a registry identification cardholder[, *a marijuana*  
26 *processing site registered under ORS 475B.840, or a medical marijuana dispensary registered under*  
27 *ORS 475B.858,*] at any reasonable time to determine whether the person responsible for the  
28 marijuana grow site[, *the person responsible for the marijuana processing site, or the person respon-*  
29 *sible for the medical marijuana dispensary,*] is in compliance with ORS 475B.785 to 475B.949 and  
30 rules adopted under ORS 475B.785 to 475B.949.

31 “(2) Any property interest possessed, owned or used in connection with the medical use of  
32 marijuana or acts incidental to the medical use of marijuana that has been seized by state or local  
33 law enforcement officers may not be harmed, neglected, injured or destroyed while in the possession  
34 of a law enforcement agency, except that a law enforcement agency has no responsibility to main-  
35 tain live marijuana plants lawfully seized. Such property interest may not be forfeited under any  
36 provision of law providing for the forfeiture of property, except pursuant to a sentence imposed after  
37 conviction of a criminal offense. Marijuana and equipment or paraphernalia used to produce, process  
38 or administer marijuana that was seized by a law enforcement officer shall be returned immediately  
39 if the district attorney in whose county the property was seized, or the district attorney’s designee,  
40 determines that the person from whom the marijuana, equipment or paraphernalia was seized is  
41 entitled to the protections provided by ORS 475B.785 to 475B.949. The determination may be evi-  
42 denced by a decision not to prosecute, the dismissal of charges or acquittal.

43 “**SECTION 31.** ORS 475B.928 is amended to read:

44 “475B.928. (1) For purposes of this section, ‘reasonable regulations’ includes:

45 “(a) Reasonable limitations on the hours during which the marijuana grow site of a person des-

1 ignated to produce marijuana by a registry identification cardholder[, *a marijuana processing site*  
2 *or a medical marijuana dispensary*] may operate;

3 “(b) Reasonable conditions on the manner in which the marijuana grow site of a person desig-  
4 nated to produce marijuana by a registry identification cardholder[, *a marijuana processing site or*  
5 *a medical marijuana dispensary*] may transfer usable marijuana, [*medical cannabinoid products,*  
6 *cannabinoid concentrates, cannabinoid extracts,*] immature marijuana plants and seeds;

7 “(c) Reasonable requirements related to the public’s access to the marijuana grow site of a  
8 person designated to produce marijuana by a registry identification cardholder[, *a marijuana pro-*  
9 *cessing site or a medical marijuana dispensary*]; and

10 “(d) Reasonable limitations on where the marijuana grow site of a person designated to produce  
11 marijuana by a registry identification cardholder[, *a marijuana processing site or a medical*  
12 *marijuana dispensary*] may be located.

13 “(2) Notwithstanding ORS 30.935, 215.253 (1) or 633.738, the governing body of a city or county  
14 may adopt ordinances that impose reasonable regulations on the operation of marijuana grow sites  
15 of persons designated to produce marijuana by registry identification cardholders[, *marijuana pro-*  
16 *cessing sites and medical marijuana dispensaries that*] **if the marijuana grow sites** are located in  
17 the area subject to the jurisdiction of the city or county.

18 “**SECTION 32.** ORS 475B.965 is amended to read:

19 “475B.965. If a city or county enacts or has enacted an ordinance prohibiting or allowing  
20 **medical** marijuana processing sites registered under [*ORS 475B.840*] **section 3 of this 2021 Act** or  
21 medical marijuana dispensaries registered under [*ORS 475B.858*] **section 4 of this 2021 Act**, the  
22 governing body of the city or the county may amend the ordinance, without referring the amendment  
23 to the electors of the city or county under ORS 475B.968, to prohibit or allow the premises of a  
24 licensee, as those terms are defined in ORS 475B.015, that has been designated an exclusively med-  
25 ical licensee under ORS 475B.122, 475B.127, 475B.129 or 475B.131.

26 “**SECTION 33.** ORS 475B.968 is amended to read:

27 “475B.968. (1) The governing body of a city or county may adopt ordinances to be referred to  
28 the electors of the city or county as described in subsection (2) of this section that prohibit or allow  
29 the establishment of any one or more of the following in the area subject to the jurisdiction of the  
30 city or in the unincorporated area subject to the jurisdiction of the county:

31 “(a) **Medical** marijuana processing sites registered under [*ORS 475B.840*] **section 3 of this 2021**  
32 **Act**;

33 “(b) Medical marijuana dispensaries registered under [*ORS 475B.858*] **section 4 of this 2021**  
34 **Act**;

35 “(c) Marijuana producers that hold a license issued under ORS 475B.070;

36 “(d) Marijuana processors that hold a license issued under ORS 475B.090;

37 “(e) Marijuana wholesalers that hold a license issued under ORS 475B.100;

38 “(f) Marijuana retailers that hold a license issued under ORS 475B.105;

39 “(g) Marijuana producers that hold a license issued under ORS 475B.070 and that the Oregon  
40 Liquor Control Commission has designated as an exclusively medical licensee under ORS 475B.122;

41 “(h) Marijuana processors that hold a license issued under ORS 475B.090 and that the commis-  
42 sion has designated as an exclusively medical licensee under ORS 475B.127;

43 “(i) Marijuana wholesalers that hold a license issued under ORS 475B.100 and that the com-  
44 mission has designated as an exclusively medical licensee under ORS 475B.129;

45 “(j) Marijuana retailers that hold a license issued under ORS 475B.105 and that the commission

1 has designated as an exclusively medical licensee under ORS 475B.131; or

2 “(k) Any combination of the entities described in this subsection.

3 “(2) If the governing body of a city or county adopts an ordinance under this section, the gov-  
4 erning body shall submit the measure of the ordinance to the electors of the city or county for ap-  
5 proval at the next statewide general election.

6 “(3) If the governing body of a city or county adopts an ordinance under this section, the gov-  
7 erning body must provide the text of the ordinance[:]

8 “[*(a) To the Oregon Health Authority, in a form and manner prescribed by the authority, if the*  
9 *ordinance concerns a medical marijuana dispensary registered under ORS 475B.858 or a marijuana*  
10 *processing site registered under ORS 475B.840; or]*

11 “[*(b) to the commission, if the ordinance concerns a premises for which a license **or registra-***  
12 *tion has been issued under ORS 475B.010 to 475B.545.*

13 “[*(4)(a) Upon receiving notice of a prohibition under subsection (3) of this section, the authority*  
14 *shall discontinue registering those entities to which the prohibition applies until the date of the next*  
15 *statewide general election.]*

16 “[*(b)*] **(4)** Upon receiving notice of a prohibition under subsection (3) of this section, the com-  
17 mission shall discontinue licensing **or registering** those premises to which the prohibition applies  
18 until the date of the next statewide general election.

19 “[*(5)(a) If an allowance is approved at the next statewide general election under subsection (2) of*  
20 *this section, and the allowance concerns an entity described in subsection (1)(a) or (b) of this section,*  
21 *the authority shall begin registering the entity to which the allowance applies on the first business day*  
22 *of the January immediately following the date of the statewide general election.]*

23 “[*(b)*] **(5)** If an allowance is approved at the next statewide general election under subsection (2)  
24 of this section, [*and the allowance concerns an entity described in subsection (1)(c) to (j) of this*  
25 *section,]* the commission shall begin licensing **or registering** the premises to which the allowance  
26 applies on the first business day of the January immediately following the date of the next statewide  
27 general election.

28 “(6) If the electors of a city or county approve an ordinance prohibiting or allowing an entity  
29 described in subsection (1)(a), (b) or (g) to (j) of this section, the governing body of the city or county  
30 may amend the ordinance, without referring the amendment to the electors of the city or county,  
31 to prohibit or allow any other entity described in subsection (1)(a), (b) or (g) to (j) of this section.

32 “(7) Notwithstanding any other provisions of law, a city or county that adopts an ordinance  
33 under this section that prohibits the establishment of an entity described in subsection (1) of this  
34 section may not impose a tax or fee on the production, processing or sale of marijuana or any  
35 product into which marijuana has been incorporated.

36 “(8) Notwithstanding subsection (1) of this section, a medical marijuana dispensary is not subject  
37 to an ordinance adopted under this section if the medical marijuana dispensary:

38 “(a) Is registered under [*ORS 475B.858*] **section 4 of this 2021 Act** on or before the date on  
39 which the governing body adopts the ordinance; and

40 “(b) Has successfully completed a city or county land use application process.

41 “(9) Notwithstanding subsection (1) of this section, a **medical** marijuana processing site is not  
42 subject to an ordinance adopted under this section if the **medical** marijuana processing site:

43 “(a) Is registered under [*ORS 475B.840*] **section 3 of this 2021 Act** on or before the date on  
44 which the governing body adopts the ordinance; and

45 “(b) Has successfully completed a city or county land use application process.

1       “**SECTION 34.** ORS 475B.610 is amended to read:  
2       “475B.610. (1) As used in this section[:],  
3       “[(a)] ‘licensee’ has the meaning given that term in ORS 475B.015.  
4       “[(b)] ‘Registrant’ means a person registered under ORS 475B.785 to 475B.949.]  
5       “(2) The Oregon Liquor Control Commission may by rule require a licensee[, and the Oregon  
6 *Health Authority may by rule require a registrant,*] to submit a label intended for use on a marijuana  
7 item for preapproval by the commission before the licensee [or registrant] may sell or transfer a  
8 marijuana item bearing the label. The commission shall determine whether a label submitted under  
9 this section complies with ORS 475B.605 and any rule adopted under ORS 475B.605.  
10       “(3) The commission may impose a fee for submitting a label for preapproval under this section  
11 that is reasonably calculated to not exceed the cost of administering this section.  
12       “**SECTION 35.** ORS 475B.620 is amended to read:  
13       “475B.620. (1) As used in this section[:],  
14       “[(a)] ‘licensee’ has the meaning given that term in ORS 475B.015.  
15       “[(b)] ‘Registrant’ means a person registered under ORS 475B.785 to 475B.949.]  
16       “(2) The Oregon Liquor Control Commission may by rule require a licensee[, and the Oregon  
17 *Health Authority may by rule require a registrant,*] to submit packaging intended for a marijuana item  
18 for preapproval by the commission before the licensee [or registrant] may sell or transfer a  
19 marijuana item packaged in the packaging. The commission shall determine whether packaging  
20 submitted under this section complies with ORS 475B.615 and any rule adopted under ORS 475B.615.  
21       “(3) The commission may impose a fee for submitting packaging for preapproval under this sec-  
22 tion that is reasonably calculated to not exceed the cost of administering this section.  
23       “**SECTION 36.** ORS 475B.778 is amended to read:  
24       “475B.778. Information received by a financial institution under ORS 475B.769[, 475B.772] or  
25 475B.775 is confidential for purposes of ORS 717.200 to 717.320, 717.900 and 717.905, the Bank Act  
26 and ORS chapter 723. Except as otherwise required or permitted by the provisions of ORS 192.583  
27 to 192.607, 717.200 to 717.320, 717.900 and 717.905, or the Bank Act or ORS chapter 723, or by other  
28 state law or rule or federal law or regulation, a financial institution may not make the information  
29 available to any person other than:  
30       “(1) The customer to whom the information applies; and  
31       “(2) A trustee, conservator, guardian, personal representative or agent of the customer to whom  
32 the information applies.  
33       “**SECTION 37.** ORS 475B.555 is amended to read:  
34       “475B.555. (1) As is necessary to protect the public health and safety, and in consultation with  
35 the Oregon Liquor Control Commission and the State Department of Agriculture, the Oregon Health  
36 Authority shall adopt rules:  
37       “(a) Establishing standards for testing marijuana items.  
38       “(b) Identifying appropriate tests for marijuana items, depending on the type of marijuana item  
39 and the manner in which the marijuana item was produced or processed, that are necessary to  
40 protect the public health and safety, including, but not limited to, tests for:  
41       “(A) Microbiological contaminants;  
42       “(B) Pesticides;  
43       “(C) Other contaminants;  
44       “(D) Solvents or residual solvents; and  
45       “(E) Tetrahydrocannabinol and cannabidiol concentration.

1 “(c) Establishing procedures for determining batch sizes and for sampling usable marijuana,  
2 cannabinoid products and cannabinoid concentrates or extracts.

3 “(d) Establishing different minimum standards for different varieties of usable marijuana and  
4 different types of cannabinoid products and cannabinoid concentrates and extracts.

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

9 “[*(3) In adopting rules under ORS 475B.785 to 475B.949, the authority may require:*]

10 “[*(a) A person responsible for a marijuana grow site under ORS 475B.810 to test usable marijuana  
11 before transferring the usable marijuana to a registrant other than an individual who holds a registry  
12 identification card under ORS 475B.797; and*]

13 “[*(b) A person processing marijuana to test cannabinoid products or cannabinoid concentrates or  
14 extracts before transferring the cannabinoid products or cannabinoid concentrates or extracts to a  
15 registrant other than an individual who holds a registry identification card under ORS 475B.797.*]

16 “[*(4)*] (3) In adopting rules under ORS 475B.010 to 475B.545, the commission may require:

17 “(a) A marijuana producer that holds a license under ORS 475B.070 or a marijuana wholesaler  
18 that holds a license under ORS 475B.100 to test usable marijuana before selling or transferring the  
19 usable marijuana; and

20 “(b) A marijuana processor that holds a license under ORS 475B.090 or a marijuana wholesaler  
21 that holds a license under ORS 475B.100 to test cannabinoid products or cannabinoid concentrates  
22 or extracts before selling or transferring the cannabinoid products or cannabinoid concentrates or  
23 extracts.

24 “[*(5)*] (4) The authority and the commission may conduct random testing of marijuana items for  
25 the purpose of determining whether a [*person subject to testing under subsection (3) of this section  
26 or a*] licensee subject to testing under subsection [*(4)*] (3) of this section is in compliance with this  
27 section.

28 “[*(6)*] (5) In adopting rules to implement this section, the authority and commission may not re-  
29 quire a marijuana item to undergo the same test more than once unless the marijuana item is pro-  
30 cessed into a different type of marijuana item or the condition of the marijuana item has  
31 fundamentally changed.

32 “[*(7)*] (6) The testing of marijuana items as required by this section must be conducted by a  
33 laboratory licensed by the commission under ORS 475B.560 and accredited by the authority under  
34 ORS 475B.565.

35 “[*(8)*] (7) In adopting rules under subsection (1) of this section, the authority:

36 “(a) Shall consider the cost of a potential testing procedure and how that cost will affect the  
37 cost to the ultimate consumer of the marijuana item; and

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

40 “**SECTION 38.** ORS 475B.940 is amended to read:

41 “475B.940. (1) For purposes of ORS 475B.785 to 475B.949, seeds of the plant Cannabis family  
42 Cannabaceae are a propagant of nursery stock as defined in ORS 571.005.

43 “(2) Notwithstanding subsection (1) of this section, the production [*and processing*] of seeds un-  
44 der ORS 475B.785 to 475B.949 is not subject to the labeling or other requirements of ORS 576.715  
45 to 576.744 or 633.511 to 633.750.



1 produced, the applicant shall submit to the commission signed informed consent from the owner of  
2 the premises to produce marijuana at the premises.

3 “(b) The commission may adopt rules regarding the informed consent described in this sub-  
4 section.

5 “(4) The commission shall adopt rules that:

6 “(a) Require a marijuana producer to annually renew a license issued under this section;

7 “(b) Establish application, licensure and renewal of licensure fees for marijuana producers;

8 “(c) Require marijuana produced by marijuana producers to be tested in accordance with ORS  
9 475B.555;

10 “(d) Assist the viability of marijuana producers that are independently owned and operated and  
11 that are limited in size and revenue with respect to other marijuana producers, by minimizing bar-  
12 riers to entry into the regulated system and by expanding, to the extent practicable, transportation  
13 options that will support their access to the retail market;

14 “(e) Allow a marijuana producer registered under ORS 475B.136 to produce marijuana for med-  
15 ical purposes in the same manner that rules adopted under ORS 475B.010 to 475B.545 allow a  
16 marijuana producer to produce marijuana for nonmedical purposes, excepting those circumstances  
17 where differentiating between the production of marijuana for medical purposes and the production  
18 of marijuana for nonmedical purposes is necessary to protect the public health and safety;

19 “(f) Require marijuana producers to submit, at the time of applying for or renewing a license  
20 under ORS 475B.040, a report describing the applicant’s or licensee’s electrical or water usage;  
21 [and]

22 “(g) Require a marijuana producer to meet any public health and safety standards and industry  
23 best practices established by the commission by rule related to the production of marijuana or the  
24 propagation of immature marijuana plants and marijuana seeds; **and**

25 **“(h) Support marijuana plant diversity by allowing a qualified marijuana producer to re-  
26 ceive marijuana seeds from any source in this state.**

27 “(5) Fees adopted under subsection (4)(b) of this section:

28 “(a) May not exceed, together with other fees collected under ORS 475B.010 to 475B.545, the  
29 cost of administering ORS 475B.010 to 475B.545;

30 “(b) Shall be in the form of a schedule that imposes a greater fee for premises with more square  
31 footage or on which more marijuana plants are grown; and

32 “(c) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS  
33 475B.296.

34 **“SECTION 43. (1) The amendments to ORS 475B.070 by section 42 of this 2021 Act become  
35 operative on January 1, 2022.**

36 **“(2) The Oregon Liquor Control Commission may take any action before the operative  
37 date specified in subsection (1) of this section that is necessary to enable the commission,  
38 on and after the operative date specified in subsection (1) of this section, all of the duties,  
39 functions and powers conferred on the commission by the amendments to ORS 475B.070 by  
40 section 42 of this 2021 Act.**

41  
42 **“INDUSTRIAL HEMP**

43  
44 **“SECTION 44. Sections 45 to 48 of this 2021 Act are added to and made a part of ORS  
45 571.260 to 571.348.**

1       “**SECTION 45.** (1) The State Department of Agriculture shall adopt rules to require that  
2 a grower registered under ORS 571.281 accurately report to the department:

3       “(a) That the grower does not intend to plant an industrial hemp crop at the location for  
4 which a registration is issued under ORS 571.281; or

5       “(b) Any loss of all or part of an industrial hemp crop.

6       “(2) The rules adopted under this section must include a timeline for reporting to the  
7 department and may include other rules necessary to carry out this section.

8       “**SECTION 46.** (1) If the industrial hemp crop of a grower registered under ORS 571.281  
9 is found to contain an average tetrahydrocannabinol concentration that exceeds the limit  
10 described in ORS 571.281 (7) and the State Department of Agriculture requires the grower  
11 to destroy or remediate the industrial hemp crop, the grower shall provide documentation  
12 to the department of the destruction or remediation.

13       “(2) The department shall adopt rules to carry out this section, including rules to specify  
14 acceptable documentation for purposes of subsection (1) of this section and timelines for  
15 providing the documentation to the department.

16       “**SECTION 47.** (1) If a person that plants an industrial hemp crop prior to applying for a  
17 grower registration under ORS 571.281, the State Department of Agriculture shall:

18       “(a) Prioritize the person’s industrial hemp crop for inspection under ORS 571.281 (7); and

19       “(b) Require the person to enter into a corrective action plan with the department.

20       “(2) If the person described in subsection (1) of this section does not enter into a cor-  
21 rective action plan pursuant to subsection (1) of this section, the department may not issue  
22 a registration to the person under ORS 571.281.

23       “(3) The department may adopt rules to carry out this section, including rules to estab-  
24 lish the corrective action plan described in subsection (1) of this section.

25       “**SECTION 48.** The State Department of Agriculture may enter into an agreement with  
26 the Oregon Liquor Control Commission that authorizes the commission to assist the de-  
27 partment in carrying out the inspections under ORS 571.281 (7). An agreement under this  
28 section may authorize the commission to carry out inspections under ORS 571.281 (7) on  
29 behalf of the department.

30       “**SECTION 49.** ORS 571.285 is amended to read:

31       “571.285. (1) Subject to the provisions of ORS chapter 183, the State Department of Agriculture  
32 may revoke the registration of a grower, handler or agricultural hemp seed producer or refuse to  
33 register or renew the registration if a grower, handler or agricultural hemp seed producer violates:

34       “(a) A provision of ORS 571.260 to 571.348;

35       “(b) A rule adopted under a provision of ORS 571.260 to 571.348;

36       “(c) An order issued by the department pursuant to a provision of ORS 571.260 to 571.348 or a  
37 rule adopted under a provision of ORS 571.260 to 571.348, **including an order of detainment issued**  
38 **under ORS 571.281;** or

39       “(d) Any statutory law or department rule related to agricultural activities other than industrial  
40 hemp operations.

41       “(2) The department may not discipline a grower, handler or agricultural hemp seed producer  
42 under this section on the basis that possessing, delivering and manufacturing industrial hemp are  
43 prohibited by federal law.

44       “**SECTION 50.** ORS 571.348 is amended to read:

45       “571.348. (1) Subject to the provisions of ORS chapter 183, the State Department of Agriculture

1 may impose a civil penalty not to exceed \$2,500 on a person for violating:

2 “(a) A provision of ORS 571.260 to 571.348;

3 “(b) A rule adopted under a provision of ORS 571.260 to 571.348; or

4 “(c) An order issued by the department pursuant to a provision of ORS 571.260 to 571.348 or a  
5 rule adopted under a provision of ORS 571.260 to 571.348.

6 “(2) In addition to the penalty described in subsection (1) of this section, subject to the  
7 provisions of ORS chapter 183, the department may impose a civil penalty not to exceed  
8 \$10,000 on a person if the person is a grower registered under ORS 571.281 and the depart-  
9 ment determines that the person’s industrial hemp crop contains an average  
10 tetrahydrocannabinol concentration of at least 10 percent on a dry weight basis.

11 “[2] (3) The department may not discipline a person under this section on the basis that pos-  
12 sessed, delivering and manufacturing industrial hemp are prohibited by federal law.

13 “[3] (4) All moneys collected by the department under this section shall be deposited in the  
14 General Fund in the State Treasury to the credit of the Industrial Hemp Fund established under  
15 ORS 571.278.

16 “SECTION 51. (1) Sections 45 to 48 of this 2021 Act and the amendments to ORS 571.285  
17 and 571.348 by sections 49 and 50 of this 2021 Act become operative on January 1, 2022.

18 “(2) The State Department of Agriculture and the Oregon Liquor Control Commission  
19 may take any action before the operative date specified in subsection (1) of this section that  
20 is necessary to enable the department and the commission to exercise, on or after the op-  
21 erative date specified in subsection (1) of this section, all of the duties, functions and powers  
22 conferred on the department and the commission by sections 45 to 48 of this 2021 Act and  
23 the amendments to ORS 571.285 and 571.348 by sections 49 and 50 of this 2021 Act.

24  
25 “CAPTIONS

26  
27 “SECTION 52. The unit captions used in this 2021 Act are provided only for the conven-  
28 ience of the reader and do not become part of the statutory law of this state or express any  
29 legislative intent in the enactment of this 2021 Act.

30  
31 “EFFECTIVE DATE

32  
33 “SECTION 53. This 2021 Act takes effect on the 91st day after the date on which the 2021  
34 regular session of the Eighty-first Legislative Assembly adjourns sine die.”.