

B-Engrossed
Senate Bill 408

Ordered by the House May 26
Including Senate Amendments dated April 16 and House Amendments
dated May 26

Sponsored by Senator PROZANSKI (at the request of Oregon Retailers of Cannabis Association, Oregon Cannabis Association, F.A.R.M.S. Inc.) (Presession filed.)

SUMMARY

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

Specifies reasons for which Oregon Liquor Control Commission may delay processing, approving or denying application for marijuana licensure. Authorizes commission to revoke, suspend or restrict marijuana license for reasons including diversion of marijuana to interstate or illicit market and introduction into regulated market of cannabinoids or marijuana not produced by commission licensee or tracked in commission system. Requires commission to consider mitigating factors when revoking, suspending or restricting license. **Authorizes commission to revoke marijuana retailer license for specified reasons.** Requires commission to establish by rule schedule of numbers and types of violations that indicate disregard for law by applicant or licensee. Requires commission to report, not later than December 31, 2021, and December 31, 2022, to interim committee of Legislative Assembly related to judiciary on rulemaking related to establishment of violations schedule and public safety.

Allows commonly owned marijuana producers to transfer to one another marijuana and usable marijuana. Defines "commonly owned." Allows marijuana producer to receive specified marijuana items from marijuana processor. Specifies information required in transfer manifest for transport of marijuana.

Requires commission to adopt rules to allow marijuana producer to receive **specified amount of** marijuana seeds from any source in Oregon. Allows person 21 years of age or older to possess up to two ounces of marijuana in public place. Directs commission to adopt rules related to tetrahydrocannabinol concentration in single serving of cannabinoid product or cannabinoid concentrate or extract.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to marijuana; creating new provisions; amending ORS 475B.060, 475B.070, 475B.105,
3 475B.206, 475B.256, 475B.337, 475B.341, 475B.615 and 475B.625; and declaring an emergency.

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

5
6 **ENFORCEMENT REFORM**

7
8 **SECTION 1.** ORS 475B.060 is amended to read:

9 475B.060. (1) The Oregon Liquor Control Commission shall approve or deny an application to
10 be licensed under ORS 475B.010 to 475B.545. **Except as provided in subsection (2) of this section,**
11 upon receiving an application under ORS 475B.040, the commission may not [*unreasonably*] delay
12 processing, approving or denying the application or, if the application is approved, issuing the li-
13 cense.

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

16 **(a) The applicant, or a person named on the application, holds a license issued under ORS**

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

1 **475B.010 to 475B.545 and the commission has issued a notice proposing revocation of the li-**
2 **cence for one or more violations of ORS 475B.010 to 475B.545 that are administrative in na-**
3 **ture, as determined by the commission, or a notice proposing suspension of the license**
4 **pursuant to ORS 305.385;**

5 **(b) The applicant is applying for a license at a premises where the applicant seeks to**
6 **assume ownership of an existing business for which a license has been issued under ORS**
7 **475B.010 to 475B.545 and the commission has issued a notice proposing revocation of the li-**
8 **cence for the existing business or a notice proposing suspension of the license for the exist-**
9 **ing business pursuant to ORS 305.385; or**

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

13 [(2)] (3) The licenses described in ORS 475B.010 to 475B.545 must be issued by the commission,
14 subject to the provisions of ORS 475B.010 to 475B.545 and rules adopted under ORS 475B.010 to
15 475B.545.

16 [(3)] (4) The commission may not license a premises that does not have defined boundaries. A
17 premises does not need to be enclosed by a wall, fence or other structure, but the commission may
18 require a premises to be enclosed as a condition of issuing or renewing a license. The commission
19 may not license a mobile premises.

20 **SECTION 2. The amendments to ORS 475B.060 by section 1 of this 2021 Act apply to ap-**
21 **plications received by the Oregon Liquor Control Commission on or after the effective date**
22 **of this 2021 Act.**

23 **SECTION 3.** ORS 475B.256 is amended to read:

24 475B.256. (1) **Subject to subsection (3) of this section,** the Oregon Liquor Control Commission
25 may revoke, suspend or restrict a license issued under ORS 475B.010 to 475B.545 or require a
26 licensee or licensee representative to undergo training if the commission finds or has reasonable
27 ground to believe [*any of the following to be true:*]

28 [(a)] that the licensee or licensee representative:

29 [(A)] (a) Has violated a provision of ORS 475B.010 to 475B.545 or a rule adopted under ORS
30 475B.010 to 475B.545.

31 (b) **Has diverted marijuana to the interstate market or an illicit market or has diverted**
32 **resources to a criminal enterprise.**

33 (c) **Has introduced into the marijuana industry regulated under ORS 475B.010 to 475B.545**
34 **cannabinoids or marijuana not produced or processed by a licensee and not tracked in the**
35 **system developed and maintained under ORS 475B.177.**

36 [(B)] (d) Has made any false representation or statement to the commission **regarding compli-**
37 **ance with a provision of ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010 to**
38 **475B.545** in order to induce or prevent action by the commission.

39 [(C)] *Is insolvent or incompetent or physically unable to carry on the management of the establish-*
40 *ment of the licensee.]*

41 [(D)] (e) Is in the habit of using alcoholic liquor, habit-forming drugs, marijuana or controlled
42 substances to excess.

43 [(E)] (f) Has misrepresented to a customer or the public any marijuana items sold by the
44 licensee or licensee representative.

45 [(F)] (g) Since the issuance of the license, has been convicted of a felony, of violating any of the

1 marijuana laws of this state, general or local, or of any misdemeanor or violation of any municipal
2 ordinance committed on the premises for which the license has been issued.

3 **(h) Has sold a marijuana item to a person under 21 years of age.**

4 *[(b) That there is any other reason that, in the opinion of the commission, based on public con-*
5 *venience or necessity, warrants revoking, suspending or restricting the license.]*

6 **(2) In addition to the grounds listed in subsection (1) of this section, the commission may**
7 **take an action described in subsection (1) of this section if there is a history of a lack of**
8 **institutional control involving the premises for which a license has been issued under ORS**
9 **475B.010 to 475B.545.**

10 **(3)(a) The commission may revoke a license under subsection (1)(a) of this section only**
11 **when the conduct poses a significant risk to public health or safety.**

12 **(b) The commission shall consider as mitigating factors to the conduct described in sub-**
13 **section (1) of this section the following:**

14 **(A) Self-reporting by a licensee or applicant;**

15 **(B) A demonstration that, to the satisfaction of the commission, the conduct of the**
16 **licensee or applicant is not persistent or serious; and**

17 **(C) A demonstration that, to the satisfaction of the commission, the licensee's willing-**
18 **ness and ability to adequately control the premises for which a license has been issued under**
19 **ORS 475B.010 to 475B.545 and any inventory stored at the premises.**

20 **(4) The commission may suspend or restrict a license issued under ORS 475B.010 to**
21 **475B.545 or require a licensee or licensee representative to undergo training if the commis-**
22 **sion finds or has reasonable grounds to believe that the licensee or licensee representative**
23 **has violated a provision of ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010**
24 **to 475B.545.**

25 **(5) The commission may suspend or revoke a permit issued under ORS 475B.266 to an**
26 **individual rather than suspend or revoke a license issued under ORS 475B.010 to 475B.545 if**
27 **the commission determines that permit suspension or revocation is more appropriate.**

28 *[(2)(a)]* **(6)(a) The commission [shall] may revoke a marijuana retailer license issued under ORS**
29 **475B.105 if the licensee fails to:**

30 **(A) Pay the tax as required under ORS 475B.710 twice in any four consecutive quarters and the**
31 **Department of Revenue has issued to the licensee a distraint warrant under ORS 475B.715 for the**
32 **nonpayment of tax; or**

33 **(B) File a return as required under ORS 475B.710 twice in any four consecutive quarters and**
34 **the department has issued to the licensee a notice of determination and assessment under ORS**
35 **475B.715 for failure to file a return.**

36 **(b) The department's written notice to the commission that a licensee described under this sub-**
37 **section has failed to pay a tax or file a return twice in any four consecutive quarters, and that the**
38 **department has issued a distraint warrant or notice of determination and assessment, shall consti-**
39 **tute prima facie evidence of the licensee's failure to pay the tax or file a return.**

40 **SECTION 4. Section 5 of this 2021 Act is added to and made a part of ORS 475B.010 to**
41 **475B.545.**

42 **SECTION 5. The Oregon Liquor Control Commission shall establish by rule a schedule**
43 **outlining the numbers and types of violations described in ORS 475B.256 that, if committed**
44 **within a two-year period by an applicant for a license issued under ORS 475B.010 to 475B.545**
45 **or a licensee indicate a disregard for the law or a failure to control the premises for which**

1 a license has been issued under ORS 475B.010 to 475B.545. The schedule adopted under this
2 section must include a definition of the categories of violations, elements of the violations
3 and a method by which to apply any aggravating or mitigating circumstances to the vio-
4 lations.

5 **SECTION 6.** (1) Not later than December 31, 2021, the Oregon Liquor Control Commission
6 shall submit a report, in the manner provided under ORS 192.245, to an interim committee
7 of the Legislative Assembly related to the judiciary. The report must summarize the
8 commission's rulemaking activities under section 5 of this 2021 Act between the effective
9 date of this 2021 Act and December 31, 2021, including but not limited to rulemaking focused
10 on the commission's mission to support businesses, public safety and community livability
11 through public education and the enforcement of marijuana laws.

12 (2) Not later than December 31, 2022, the commission shall submit a report, in the man-
13 ner provided under ORS 192.245, to an interim committee of the Legislative Assembly related
14 to the judiciary, that summarizes the commission's rulemaking activities under section 5 of
15 this 2021 Act between January 1, 2022 and December 31, 2022. The report must include a
16 summary of at least the following:

17 (a) Rulemaking focused on the commission's mission to support businesses, public safety
18 and community livability through public education and the enforcement of marijuana laws;
19 and

20 (b) The cannabis industry's participation in the rulemaking process, the number of vio-
21 lations in each category defined under section 5 of this 2021 Act with which the commission
22 has charged an applicant or licensee, as defined in ORS 475B.015, and an analysis of voluntary
23 compliance by applicants and licensees that receive warnings of violations from the com-
24 mission.

25 **SECTION 7.** Section 6 of this 2021 Act is repealed on January 1, 2024.

26
27 **TRANSFER OF MARIJUANA**
28

29 **SECTION 8.** Sections 9 and 10 of this 2021 Act are added to and made a part of ORS
30 475B.010 to 475B.545.

31 **SECTION 9.** (1) As used in this section, "commonly owned" means, as further defined by
32 the Oregon Liquor Control Commission by rule, that a person included on an application for
33 a license under ORS 475B.070 has an interest in or authority over the management of an-
34 other entity for which a license has been issued under ORS 475B.070.

35 (2) A marijuana producer that holds a license issued under ORS 475B.070 may deliver to
36 or receive from a marijuana processor that holds a license issued under ORS 475B.090:

37 (a) Cannabinoid products, cannabinoid extracts and cannabinoid concentrates processed
38 by the marijuana processor from marijuana produced by the marijuana producer and that
39 do not contain marijuana produced by any other marijuana producer; and

40 (b) Marijuana produced by the marijuana producer that the marijuana processor received
41 from the marijuana producer but that the marijuana processor did not process.

42 (3) Two or more marijuana producers that hold licenses issued under ORS 475B.070 and
43 are commonly owned by the same person may deliver to and receive from one another
44 marijuana and usable marijuana.

45 **SECTION 10.** (1) In order to transport marijuana items, a licensee must create a mani-

1 **fest that contains the following information:**

2 (a) **The name of the driver of the transport vehicle;**

3 (b) **Identifying information for the driver's permit issued under ORS 475B.266;**

4 (c) **The license plate number, make and model of the transport vehicle;**

5 (d) **The name of the licensee from which the marijuana or marijuana items are being**
6 **transported;**

7 (e) **A detailed inventory of the marijuana and marijuana items being transported;**

8 (f) **The location of any overnight stop during transportation, and the estimated time of**
9 **the overnight stop; and**

10 (g) **The destination of the marijuana and marijuana items being transported.**

11 (2) **Except as provided in subsection (1)(f) of this section, a manifest created under this**
12 **section is not required to include transport route information.**

13 (3) **The transport driver shall carry in the transport vehicle a copy of the manifest.**

14 **SECTION 11.** ORS 475B.105 is amended to read:

15 475B.105. (1) The retail sale of marijuana items is subject to regulation by the Oregon Liquor
16 Control Commission.

17 (2) A marijuana retailer must have a retail license issued by the commission for the premises
18 at which marijuana items are sold. To hold a retail license under this section, a marijuana retailer:

19 (a) Must apply for a license in the manner described in ORS 475B.040;

20 (b) Must provide proof that the applicant is 21 years of age or older;

21 (c) May not be located in an area that is zoned exclusively for residential use;

22 (d) Except as provided in ORS 475B.109, may not be located within 1,000 feet of:

23 (A) A public elementary or secondary school for which attendance is compulsory under ORS
24 339.020; or

25 (B) A private or parochial elementary or secondary school, teaching children as described in
26 ORS 339.030 (1)(a); and

27 (e) Must meet the requirements of any rule adopted by the commission under subsection (3) of
28 this section.

29 (3) The commission shall adopt rules that:

30 (a) Require a marijuana retailer to annually renew a license issued under this section;

31 (b) Establish application, licensure and renewal of licensure fees for marijuana retailers;

32 (c) Require marijuana items sold by a marijuana retailer to be tested in accordance with ORS
33 475B.555;

34 (d) Notwithstanding ORS 475B.206, allow a marijuana retailer to deliver marijuana items to an-
35 other marijuana retailer that [*is owned by the same or substantially the same persons*] **has on the**
36 **marijuana retailer's license application a person that has an interest in or authority over the**
37 **management of the other marijuana retailer;**

38 (e) Subject to the limitations and privileges described in ORS 475B.146 (3), allow a marijuana
39 retailer registered under ORS 475B.146 to sell medical grade cannabinoid products, cannabinoid
40 concentrates and cannabinoid extracts at retail in the same manner that rules adopted under ORS
41 475B.010 to 475B.545 allow a marijuana retailer to sell general use cannabinoid products,
42 cannabinoid concentrates and cannabinoid extracts at retail, excepting those circumstances where
43 differentiating between the sale of medical grade cannabinoid products, cannabinoid concentrates
44 and cannabinoid extracts and the sale of general use cannabinoid products, cannabinoid concen-
45 trates and cannabinoid extracts is necessary to protect the public health and safety; and

1 (f) Require a marijuana retailer to meet any public health and safety standards and industry best
2 practices established by the commission by rule.

3 (4) Fees adopted under subsection (3)(b) of this section:

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

6 (b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS
7 475B.296.

8
9 **MARIJUANA PLANT DIVERSITY**

10
11 **SECTION 12.** ORS 475B.070 is amended to read:

12 475B.070. (1) The production of marijuana is subject to regulation by the Oregon Liquor Control
13 Commission.

14 (2) A marijuana producer must have a production license issued by the commission for the
15 premises at which the marijuana is produced. To hold a production license issued under this section,
16 a marijuana producer:

17 (a) Must apply for a license in the manner described in ORS 475B.040;

18 (b) Must provide proof that the applicant is 21 years of age or older; and

19 (c) Must meet the requirements of any rule adopted by the commission under subsections (3) and
20 (4) of this section.

21 (3)(a) If the applicant is not the owner of the premises at which the marijuana is to be produced,
22 the applicant shall submit to the commission signed informed consent from the owner of the prem-
23 ises to produce marijuana at the premises.

24 (b) The commission may adopt rules regarding the informed consent described in this subsection.

25 (4) The commission shall adopt rules that:

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

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

28 (c) Require marijuana produced by marijuana producers to be tested in accordance with ORS
29 475B.555;

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

34 (e) Allow a marijuana producer registered under ORS 475B.136 to produce marijuana for medical
35 purposes in the same manner that rules adopted under ORS 475B.010 to 475B.545 allow a marijuana
36 producer to produce marijuana for nonmedical purposes, excepting those circumstances where dif-
37 ferentiating between the production of marijuana for medical purposes and the production of
38 marijuana for nonmedical purposes is necessary to protect the public health and safety;

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

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

45 **(h) Support marijuana plant diversity by allowing a qualified marijuana producer to re-**

1 **ceive marijuana seeds from any source in this state, but not more than a total of 200**
2 **marijuana seeds per month from all sources combined.**

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

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

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

8 (c) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS
9 475B.296.

10 **SECTION 13.** ORS 475B.206 is amended to read:

11 475B.206. (1) Except as provided in ORS 475B.136 and 475B.873 **and rules adopted pursuant**
12 **to ORS 475B.070**, a marijuana producer that holds a license issued under ORS 475B.070, marijuana
13 processor that holds a license issued under ORS 475B.090 or marijuana wholesaler that holds a li-
14 cense issued under ORS 475B.100 may deliver marijuana items only to or on a premises for which
15 a license has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105, or to a registry
16 identification cardholder or designated primary caregiver as allowed under ORS 475B.010 to
17 475B.545.

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

20 (a) A marijuana producer that holds a license issued under ORS 475B.070, marijuana processor
21 that holds a license issued under ORS 475B.090, marijuana wholesaler that holds a license issued
22 under ORS 475B.100, marijuana retailer that holds a license issued under ORS 475B.105 or a labo-
23 ratory licensed under ORS 475B.560;

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

28 (c) A marijuana grow site registered under ORS 475B.810, marijuana processing site registered
29 under ORS 475B.840, or a medical marijuana dispensary registered under ORS 475B.858, acting in
30 accordance with procedures adopted by the Oregon Liquor Control Commission under ORS 475B.167;
31 or

32 (d) A marijuana grow site registered under ORS 475B.810, acting in accordance with ORS
33 475B.825 and any procedures adopted by rule by the commission.

34 (3) The sale of marijuana items by a marijuana retailer that holds a license issued under ORS
35 475B.105 must be restricted to the premises for which the license has been issued, but deliveries
36 may be made by a marijuana retailer to consumers pursuant to a bona fide order received at the
37 premises prior to delivery.

38 (4) The commission may by order waive the requirements of subsections (1) and (2) of this sec-
39 tion to ensure compliance with ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010 to
40 475B.545. An order issued under this subsection does not constitute a waiver of any other require-
41 ment of ORS 475B.010 to 475B.545 or any other rule adopted under ORS 475B.010 to 475B.545.

42
43 **POSSESSION AND CONCENTRATION LIMITS**

44
45 **SECTION 14.** ORS 475B.337 is amended to read:

1 475B.337. (1) Except for licensees and licensee representatives acting in accordance with ORS
2 475B.010 to 475B.545 and any rule adopted under ORS 475B.010 to 475B.545, it is unlawful for any
3 person 21 years of age or older to possess, knowingly or intentionally:

4 (a) An amount of plants in the genus Cannabis within the plant family Cannabaceae in excess
5 of the amount allowed under ORS 475B.301 (1).

6 (b) More than [*one ounce*] **two ounces** of usable marijuana in a public place.

7 (c) More than eight ounces of usable marijuana.

8 (d) More than 16 ounces of cannabinoid products in solid form or cannabinoid concentrates.

9 (e) More than 72 ounces of cannabinoid products in liquid form.

10 (f) More than one ounce of cannabinoid extracts.

11 (g) A cannabinoid extract that was not purchased from a marijuana retailer that holds a license
12 issued under ORS 475B.105.

13 (2) Except as provided in subsection (3) of this section, unlawful possession of a marijuana item
14 is a Class A misdemeanor.

15 (3) Unlawful possession of a marijuana item is:

16 (a) A Class B violation, if the amount possessed is not more than two times the applicable
17 maximum amount specified in subsection (1)(a) to (f) of this section.

18 (b) A Class B misdemeanor, if the amount possessed is more than two times, but not more than
19 four times, the applicable maximum amount specified in subsection (1)(a) to (f) of this section.

20 (c) A Class C felony, if the amount possessed is:

21 (A) More than 16 times the applicable maximum amount specified in subsection (1)(a), (c), (d),
22 (e) or (f) of this subsection;

23 (B) More than eight pounds of usable marijuana in a public place; or

24 (C) More than one-quarter ounce of cannabinoid extract that was not purchased from a
25 marijuana retailer that holds a license issued under ORS 475B.105.

26 **SECTION 15.** ORS 475B.341 is amended to read:

27 475B.341. (1) Except for licensees and licensee representatives acting in accordance with ORS
28 475B.010 to 475B.545 and any rule adopted under ORS 475B.010 to 475B.545, it is unlawful for any
29 person under 21 years of age to possess, knowingly or intentionally:

30 (a) An amount of plants in the genus Cannabis within the plant family Cannabaceae in excess
31 of the amount allowed under ORS 475B.301 (1).

32 (b) More than [*one ounce*] **two ounces** of usable marijuana in a public place.

33 (c) More than eight ounces of usable marijuana.

34 (d) More than 16 ounces of cannabinoid products in solid form or cannabinoid concentrates.

35 (e) More than 72 ounces of cannabinoid products in liquid form.

36 (f) More than one ounce of cannabinoid extracts.

37 (g) A cannabinoid extract that was not purchased from a marijuana retailer that holds a license
38 under ORS 475B.105.

39 (2) Except as provided in subsection (3) of this section, unlawful possession of a marijuana item
40 by a person under 21 years of age is a Class A misdemeanor.

41 (3) Unlawful possession of a marijuana item by a person under 21 years of age is a Class C fel-
42 ony, if the amount possessed is:

43 (a) More than 16 times the applicable maximum amount specified in subsection (1)(a), (c), (d), (e)
44 or (f) of this subsection;

45 (b) More than eight pounds of usable marijuana in a public place; or

1 (c) More than one-quarter ounce of cannabinoid extract that was not purchased from a
2 marijuana retailer that holds a license issued under ORS 475B.105.

3 **SECTION 16.** ORS 475B.625 is amended to read:

4 475B.625. (1) The [*Oregon Health Authority*] **Oregon Liquor Control Commission** shall adopt
5 rules establishing:

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

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

10 (2)(a) In adopting rules under subsection (1)(a) of this section, the [*authority*] **commission** shall
11 prescribe the different levels of concentration of tetrahydrocannabinol that is permitted in a single
12 serving of a cannabinoid product or cannabinoid concentrate or extract for:

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

14 (B) Consumers who do not hold a valid registry identification card issued under ORS 475B.797.

15 (b) In prescribing the levels of concentration of tetrahydrocannabinol that is permitted in a
16 single serving of a cannabinoid product or cannabinoid concentrate or extract for consumers who
17 hold a valid registry identification card issued under ORS 475B.797, the [*authority*] **commission**
18 shall consider the appropriate level of concentration necessary to mitigate the symptoms or effects
19 of a debilitating medical condition, as defined in ORS 475B.791.

20 (3) In adopting rules under ORS 475B.785 to 475B.949, the **Oregon Health Authority** shall **adopt**
21 **by rule requirements established by the commission by rule** to require all usable marijuana,
22 cannabinoid products and cannabinoid concentrates and extracts transferred by a medical marijuana
23 dispensary registered under ORS 475B.858 to meet the concentration standards and [*packaging*]
24 **servings per package** standards adopted by rule pursuant to this section.

25 (4)(a) In adopting rules under ORS 475B.010 to 475B.545, the [*Oregon Liquor Control*] commission
26 shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts
27 sold or transferred by a marijuana retailer that holds a license under ORS 475B.105 to meet the
28 concentration standards and [*packaging*] **servings per package** standards adopted by rule pursuant
29 to this section.

30 (b) **The rules adopted by the commission under this subsection must allow for a concen-**
31 **tration of up to 100 milligrams of tetrahydrocannabinol per package of cannabinoid edibles.**

32
33 **PACKAGING REQUIREMENTS**
34

35 **SECTION 17.** ORS 475B.615 is amended to read:

36 475B.615. (1) As is necessary to protect the public health and safety, and in consultation with
37 the Oregon Health Authority and the State Department of Agriculture, the Oregon Liquor Control
38 Commission shall adopt rules establishing standards for the packaging of marijuana items, including
39 but not limited to:

40 (a) Ensuring that [*usable marijuana,*] cannabinoid concentrates and extracts, cannabinoid edibles
41 and other cannabinoid products are:

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

43 (B) Not marketed in a manner that:

44 (i) Is untruthful or misleading;

45 (ii) Is attractive to minors; or

1 (iii) Otherwise creates a significant risk of harm to public health and safety; *[and]*

2 (b) **Ensuring that usable marijuana, including usable marijuana that is pre-rolled, is not**
3 **marketed in a manner that:**

4 (A) **Is untruthful and misleading;**

5 (B) **Is attractive to minors; or**

6 (C) **Otherwise creates a significant risk of harm to public health and safety; and**

7 *[(b)]* (c) Ensuring that cannabinoid edibles and other cannabinoid products are not packaged in
8 a manner that is attractive to minors.

9 (2) In adopting rules under ORS 475B.785 to 475B.949, the authority shall require all usable
10 marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a med-
11 ical marijuana dispensary registered under ORS 475B.858 to be packaged in accordance with sub-
12 section (1) of this section and rules adopted under subsection (1) of this section.

13 (3) In adopting rules under ORS 475B.010 to 475B.545, the commission shall require all usable
14 marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or transferred by
15 a marijuana retailer that holds a license under ORS 475B.105 to be packaged in accordance with
16 subsection (1) of this section and rules adopted under subsection (1) of this section.

17 (4) In adopting rules under subsection (1) of this section, the commission:

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

20 (b) May establish different minimum packaging standards for persons registered under ORS
21 475B.785 to 475B.949 and persons licensed under ORS 475B.010 to 475B.545;

22 (c) May consider the effect on the environment of requiring certain packaging;

23 (d) Shall consider the cost of a potential requirement and how that cost will affect the cost to
24 the ultimate consumer of the marijuana item; and

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

27 **SECTION 18. The Oregon Liquor Control Commission shall study the laws of this state**
28 **and the commission rules related to recreational marijuana and identify any changes to laws**
29 **or rules that would further reduce the use of plastics by the recreational marijuana industry.**
30 **Not later than December 31, 2022, the commission shall report its findings and recommen-**
31 **dations for legislation and rule changes to an interim committee of the Legislative Assembly**
32 **related to the environment.**

33 **SECTION 19. Section 18 of this 2021 Act is repealed on January 2, 2023.**

34
35 **CAPTIONS**

36
37 **SECTION 20. The unit captions used in this 2021 Act are provided only for the conven-**
38 **ience of the reader and do not become part of the statutory law of this state or express any**
39 **legislative intent in the enactment of this 2021 Act.**

40
41 **OPERATIVE AND EFFECTIVE DATES**

42
43 **SECTION 21. (1) Sections 9 and 10 of this 2021 Act and the amendments to ORS 475B.070,**
44 **475B.105, 475B.206, 475B.256, 475B.337, 475B.341, 475B.615 and 475B.625 by sections 3 and 11 to**
45 **17 of this 2021 Act become operative on January 1, 2022.**

