

HB 3013-3
(LC 3347)
4/2/21 (SCT/ps)

Requested by HOUSE COMMITTEE ON GENERAL GOVERNMENT (at the request of Representative Marty Wilde)

**PROPOSED AMENDMENTS TO
HOUSE BILL 3013**

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

11 Delete lines 4 through 11 and insert:

12

13 **“MEDICAL MARIJUANA PROCESSING SITES AND DISPENSARIES**

14

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

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

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

20 **“(2) ‘Medical marijuana dispensary’ means a premises at which**
21 **marijuana for medical use is transferred to registry identification**

1 cardholders and designated primary caregivers.

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

5 **“SECTION 3. (1) The Oregon Liquor Control Commission shall es-
6 tablish by rule a process to register medical marijuana processing
7 sites. To hold a registration under this section, an applicant shall:**

8 **“(a) Apply for a registration in the manner prescribed by the com-
9 mission by rule;**

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

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

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

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

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

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

21 **“(A) From the individual to whom the registration is issued to an-
22 other individual; or**

23 **“(B) To any location other than the original location at which the
24 applicant processes marijuana.**

25 **“(5) A medical marijuana processing site may transfer medical
26 cannabinoid products, cannabinoid concentrates or cannabinoid ex-
27 tracts to:**

28 **“(a) Another medical marijuana processing site or a medical
29 marijuana dispensary;**

30 **“(b) A registry identification cardholder, or the designated primary**

1 caregiver of a registry identification cardholder, if the registry iden-
2 tification cardholder or designated primary caregiver provides the
3 medical marijuana processing site with the marijuana to be processed
4 into the medical cannabinoid product, cannabinoid concentrate or
5 cannabinoid extract and the medical marijuana processing site does
6 not receive compensation for the transfer, other than reimbursement
7 for costs associated with the processing; or

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

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

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

12 “(b) Marijuana from a registry identification cardholder or desig-
13 nated primary caregiver of a registry identification cardholder for the
14 purposes described in subsection (5) of this section; and

15 “(c) Medical cannabinoid products, cannabinoid concentrates and
16 cannabinoid extracts from other persons as specified by the commis-
17 sion by rule.

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

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

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

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

28 **“SECTION 4. (1) The Oregon Liquor Control Commission shall es-
29 tablish by rule a process to register medical marijuana dispensaries.
30 To hold a registration under this section, an applicant shall:**

1 “(a) Apply for a registration in the manner prescribed by the com-
2 mission by rule;

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

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

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

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

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

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

15 “(A) From the individual to whom the registration is issued to an-
16 other individual; or

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

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

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

25 “(B) A private or parochial elementary or secondary school, teach-
26 ing children as described in ORS 339.030 (1)(a).

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

29 “(A) The medical marijuana dispensary is not located within 500 feet
30 of a public elementary or secondary school or a private or parochial

1 elementary or secondary school described in paragraph (a) of this
2 subsection; and

3 “(B) The commission determines that there is a physical or ge-
4 ographic barrier capable of preventing children from traversing to the
5 premises of the medical marijuana dispensary.

6 “(6) A medical marijuana dispensary may transfer usable
7 marijuana, immature marijuana plants, seeds, medical cannabinoid
8 products, cannabinoid concentrates and cannabinoid extracts to:

9 “(a) Another medical marijuana dispensary;

10 “(b) A registry identification cardholder or the designated primary
11 caregiver of a registry identification cardholder; or

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

13 “(7) A medical marijuana dispensary may receive:

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

17 “(b) Medical cannabinoid products, cannabinoid concentrates and
18 cannabinoid extracts from medical marijuana processing sites regis-
19 tered under section 3 of this 2021 Act; and

20 “(c) Usable marijuana, immature marijuana plants, seeds, medical
21 cannabinoid products, cannabinoid concentrates and cannabinoid ex-
22 tracts from other persons as specified by the commission by rule.

23 “(8)(a) The commission shall establish application, registration and
24 renewal fees under this section.

25 “(b) Fees adopted under this section may not exceed, together with
26 other fees collected under ORS 475B.010 to 475B.545, the cost of ad-
27 ministering ORS 475B.010 to 475B.545.

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

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

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

4 **“(a) Ensure that the system developed and maintained under ORS**
5 **475B.177 is capable of tracking the transfer of marijuana items pro-**
6 **cessed at a medical marijuana processing site registered under section**
7 **3 of this 2021 Act and marijuana items transferred from a medical**
8 **marijuana dispensary registered under section 4 of this 2021 Act.**

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

13 **“(2) The commission may suspend, revoke or refuse to issue a reg-**
14 **istration under section 3 or 4 of this 2021 Act or require a registrant**
15 **or representative of a registrant to complete training specified by the**
16 **commission if the commission finds, or has reasonable grounds to be-**
17 **lieve, that the registrant or representative of the registrant:**

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

20 **“(b) Has made any false representation or statement to the com-**
21 **mission in order to induce or prevent action by the commission;**

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

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

27 **“(e) Has misrepresented to a registry identification cardholder, a**
28 **consumer or the public any marijuana items transferred by the regis-**
29 **trant or representative of the registrant; or**

30 **“(f) Since the issuance of a registration under section 3 or 4 of this**

1 **2021 Act, has been convicted of a felony, a violation of any marijuana**
2 **laws of this state or ordinances of a local government in this state or**
3 **a misdemeanor if the felony, violation or misdemeanor was committed**
4 **on the premises for which the registration was issued.**

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

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

13 **“(2) The commission shall impose civil penalties under this section**
14 **in the manner provided in ORS 183.745.**

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

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

19 **“90.396. (1) Except as provided in subsection (2) of this section, after at**
20 **least 24 hours’ written notice specifying the acts and omissions constituting**
21 **the cause and specifying the date and time of the termination, the landlord**
22 **may terminate the rental agreement and take possession as provided in ORS**
23 **105.105 to 105.168, if:**

24 **“(a) The tenant, someone in the tenant’s control or the tenant’s pet seri-**
25 **ously threatens to inflict substantial personal injury, or inflicts any sub-**
26 **stantial personal injury, upon a person on the premises other than the**
27 **tenant;**

28 **“(b) The tenant or someone in the tenant’s control recklessly endangers**
29 **a person on the premises other than the tenant by creating a serious risk**
30 **of substantial personal injury;**

1 “(c) The tenant, someone in the tenant’s control or the tenant’s pet in-
2 flicts any substantial personal injury upon a neighbor living in the immedi-
3 ate vicinity of the premises;

4 “(d) The tenant or someone in the tenant’s control intentionally inflicts
5 any substantial damage to the premises or the tenant’s pet inflicts substan-
6 tial damage to the premises on more than one occasion;

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

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

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

14 “(f) The tenant, someone in the tenant’s control or the tenant’s pet com-
15 mits any act that is outrageous in the extreme, on the premises or in the
16 immediate vicinity of the premises. For purposes of this paragraph, an act
17 is outrageous in the extreme if the act is not described in paragraphs (a) to
18 (e) of this subsection, but is similar in degree and is one that a reasonable
19 person in that community would consider to be so offensive as to warrant
20 termination of the tenancy within 24 hours, considering the seriousness of
21 the act or the risk to others. An act that is outrageous in the extreme is
22 more extreme or serious than an act that warrants a 30-day termination un-
23 der ORS 90.392. Acts that are ‘outrageous in the extreme’ include, but are
24 not limited to, the following acts by a person:

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

27 “(B) Unlawful manufacture, delivery or possession of a controlled sub-
28 stance, as defined in ORS 475.005;

29 “(C) Manufacture of a cannabinoid extract, as defined in ORS 475B.015,
30 unless the person manufacturing the cannabinoid extract holds a license is-

1 sued under ORS 475B.090 or is registered under [ORS 475B.840] **section 3**
2 **of this 2021 Act;**

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

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

5 “(2) If the cause for a termination notice given pursuant to subsection (1)
6 of this section is based upon the acts of the tenant’s pet, the tenant may cure
7 the cause and avoid termination of the tenancy by removing the pet from the
8 premises prior to the end of the notice period. The notice must describe the
9 right of the tenant to cure the cause. If the tenant returns the pet to the
10 premises at any time after having cured the violation, the landlord, after at
11 least 24 hours’ written notice specifying the subsequent presence of the of-
12 fending pet, may terminate the rental agreement and take possession as
13 provided in ORS 105.105 to 105.168. The tenant does not have a right to cure
14 this subsequent violation.

15 “(3) For purposes of subsection (1) of this section, someone is in the
16 tenant’s control if that person enters or remains on the premises with the
17 tenant’s permission or consent after the tenant reasonably knows or should
18 know of that person’s act or likelihood to commit any act of the type de-
19 scribed in subsection (1) of this section.

20 “(4) An act can be proven to be outrageous in the extreme even if the act
21 is one that does not violate a criminal statute. Notwithstanding the refer-
22 ences to criminal statutes in subsection (1)(f) of this section, the landlord’s
23 burden of proof in an action for possession under subsection (1) of this sec-
24 tion is the civil standard of proof by a preponderance of the evidence.

25 “(5) If a good faith effort by a landlord to terminate the tenancy under
26 subsection (1)(f) of this section and to recover possession of the rental unit
27 under ORS 105.105 to 105.168 fails by decision of the court, the landlord may
28 not be found in violation of any state statute or local ordinance requiring
29 the landlord to remove that tenant upon threat of fine, abatement or forfei-
30 ture as long as the landlord continues to make a good faith effort to termi-

1 nate the tenancy.

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

4 “323.505. (1) A tax is hereby imposed upon the distribution of all tobacco
5 products in this state. The tax imposed by this section is intended to be a
6 direct tax on the consumer, for which payment upon distribution is required
7 to achieve convenience and facility in the collection and administration of
8 the tax. The tax shall be imposed on a distributor at the time the distributor
9 distributes tobacco products.

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

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

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

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

18 “(3) For reporting periods beginning on or after July 1, 2022, the rates
19 of tax applicable to moist snuff under subsection (2)(b) of this section shall
20 be adjusted for each biennium according to the cost-of-living adjustment for
21 the calendar year. The Department of Revenue shall recompute the rates for
22 each biennium by adding to the rates in subsection (2)(b) of this section the
23 product obtained by multiplying the rates in subsection (2)(b) of this section
24 by a factor that is equal to 0.25 multiplied by the percentage (if any) by
25 which the monthly averaged U.S. City Average Consumer Price Index for the
26 12 consecutive months ending August 31 of the prior calendar year exceeds
27 the monthly averaged U.S. City Average Consumer Price Index for the 12
28 consecutive months ending August 31, 2020.

29 “(4) If the tax imposed under this section does not equal an amount cal-
30 culable to a whole cent, the tax shall be equal to the next higher whole cent.

1 However, the amount remitted to the Department of Revenue by the taxpayer
2 for each quarter shall be equal only to 98.5 percent of the total taxes due
3 and payable by the taxpayer for the quarter.

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

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

8 “(b) Purchased in a medical marijuana dispensary that is registered under
9 [ORS 475B.858] **section 4 of this 2021 Act** by a person to whom a registry
10 identification card has been issued under ORS 475B.797.

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

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

15 “475B.063. (1) Prior to receiving a license under ORS 475B.070, 475B.090,
16 475B.100 or 475B.105, an applicant shall request a land use compatibility
17 statement from the city or county that authorizes the land use. The land use
18 compatibility statement must demonstrate that the requested license is for
19 a land use that is allowable as a permitted or conditional use within the
20 given zoning designation where the land is located. The Oregon Liquor
21 Control Commission may not issue a license if the land use compatibility
22 statement shows that the proposed land use is prohibited in the applicable
23 zone.

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

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

29 “(b) Final local permit approval, if the land use is allowable as a condi-
30 tional use.

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

5 “(4) A city or county action concerning a land use compatibility state-
6 ment under this section is not a land use decision for purposes of ORS
7 chapter 195, 196, 197, 215 or 227.

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

9 “475B.167. (1) The Oregon Liquor Control Commission shall adopt by rule
10 procedures by which[:]

11 “[*(a)*] a person responsible for a marijuana grow site registered under ORS
12 475B.810, or, if multiple persons responsible for a marijuana grow site reg-
13 istered under ORS 475B.810 are located at the same address, each person
14 responsible for a marijuana grow site located at the address, may apply for
15 a license under ORS 475B.070 to transition from being registered by the
16 Oregon Health Authority to being licensed by the commission[:]

17 “[*(b)*] *A marijuana processing site registered under ORS 475B.840 may ap-*
18 *ply for a license under ORS 475B.090 to transition from being registered by*
19 *the authority to being licensed by the commission; and]*

20 “[*(c)*] *A medical marijuana dispensary registered under ORS 475B.858 may*
21 *apply for a license under ORS 475B.105 to transition from being registered by*
22 *the authority to being licensed by the commission].*

23 “(2)(a) In adopting rules under this section, the commission shall adopt,
24 at a minimum, procedures by which the inventory possessed by a person re-
25 sponsible for a marijuana grow site[, *a marijuana processing site or a medical*
26 *marijuana dispensary*] on the date on which the person responsible for a
27 marijuana grow site[, *the marijuana processing site or the medical marijuana*
28 *dispensary*] is first subject to tracking by the commission under ORS
29 475B.177:

30 “(A) May be delivered to a premises for which a license has been issued

1 under ORS 475B.090, 475B.100 or 475B.105; or

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

4 “(b) Procedures adopted under this subsection must require a person re-
5 sponsible for a marijuana grow site registered under ORS 475B.810, or, if
6 multiple persons responsible for a marijuana grow site registered under ORS
7 475B.810 are located at the same address, each person responsible for a
8 marijuana grow site located at the address, to return to an individual to
9 whom a registry identification card has been issued under ORS 475B.797, and
10 for whom the person or persons are producing marijuana, all the marijuana
11 and usable marijuana owned by the individual, except as otherwise allowed
12 under a personal agreement entered into under ORS 475B.822, at the time
13 that the person or the persons receive a license under ORS 475B.070.

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

15 “475B.206. (1) Except as provided in ORS 475B.136 [*and 475B.873*] **and**
16 **rules adopted pursuant to ORS 475B.070**, a marijuana producer that holds
17 a license issued under ORS 475B.070, marijuana processor that holds a li-
18 cense issued under ORS 475B.090 or marijuana wholesaler that holds a li-
19 cense issued under ORS 475B.100 may deliver marijuana items only to or on
20 a premises for which a license has been issued under ORS 475B.070, 475B.090,
21 475B.100 or 475B.105, or to a registry identification cardholder or designated
22 primary caregiver as allowed under ORS 475B.010 to 475B.545.

23 “(2) A licensee to which marijuana items may be delivered under sub-
24 section (1) of this section may receive marijuana items only from:

25 “(a) A marijuana producer that holds a license issued under ORS
26 475B.070, marijuana processor that holds a license issued under ORS
27 475B.090, marijuana wholesaler that holds a license issued under ORS
28 475B.100, marijuana retailer that holds a license issued under ORS 475B.105
29 or a laboratory licensed under ORS 475B.560;

30 “(b) A researcher of cannabis that holds a certificate issued under ORS

1 475B.286 and that transfers limited amounts of marijuana, usable marijuana,
2 cannabinoid products, cannabinoid concentrates and cannabinoid extracts in
3 accordance with procedures adopted under ORS 475B.286 (3)(d) and (e);

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

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

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

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

20 “(4) The commission may by order waive the requirements of subsections
21 (1) and (2) of this section to ensure compliance with ORS 475B.010 to
22 475B.545 or a rule adopted under ORS 475B.010 to 475B.545. An order issued
23 under this subsection does not constitute a waiver of any other requirement
24 of ORS 475B.010 to 475B.545 or any other rule adopted under ORS 475B.010
25 to 475B.545.

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

27 “475B.286. (1) The Oregon Liquor Control Commission, in consultation
28 with the Oregon Health Authority and the State Department of Agriculture,
29 shall establish a program for the purpose of identifying and certifying pri-
30 vate and public researchers of cannabis.

1 “(2)(a) The authority shall assist the commission in identifying candidates
2 for certification under this section with respect to potential medical re-
3 search.

4 “(b) The department shall assist the commission in identifying candidates
5 for certification under this section with respect to potential agricultural re-
6 search.

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

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

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

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

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

17 “(e) Procedures for disposing or otherwise making use of marijuana, usa-
18 ble marijuana, cannabinoid products, cannabinoid concentrates and
19 cannabinoid extracts.

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

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

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

26 “(c) Legal barriers to conducting the proposed research or legal risks as-
27 sociated with conducting the proposed research.

28 “(5) In adopting procedures under subsection (3)(d) and (e) of this section
29 with respect to making use of marijuana, usable marijuana, cannabinoid
30 products, cannabinoid concentrates and cannabinoid extracts, the commission

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

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

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

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

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

25 “(8) Except as otherwise provided by the commission by rule, rules
26 adopted under ORS 475B.010 to 475B.545 with respect to licensees and
27 licensee representatives apply to persons that hold a certificate issued under
28 this section and persons employed by or who otherwise perform work for
29 persons that hold a certificate issued under this section.

30 “(9) A person that holds a certificate issued under this section, and an

1 employee of or other person who performs work for a person that holds a
2 certificate issued under this section, is exempt from the criminal laws of this
3 state for possession, delivery or manufacture of marijuana, aiding and
4 abetting another in the possession, delivery and manufacture of marijuana,
5 or any other criminal offense in which possession, delivery or manufacture
6 of marijuana is an element, while performing activities related to conducting
7 research as described in this section.

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

9 “475B.301. ORS 475B.025, 475B.030, 475B.033, 475B.035, 475B.040, 475B.045,
10 475B.050, 475B.055, 475B.060, 475B.063, 475B.065, 475B.068, 475B.070, 475B.085,
11 475B.090, 475B.100, 475B.105, 475B.115, 475B.119, 475B.136, 475B.139, 475B.144,
12 475B.146, 475B.154, 475B.158, 475B.163, 475B.173, 475B.177, 475B.206, 475B.211,
13 475B.216, 475B.224, 475B.232, 475B.236, 475B.241, 475B.246, 475B.256, 475B.261,
14 475B.266, 475B.276, 475B.281, 475B.286, 475B.296, 475B.461, 475B.474, 475B.479,
15 475B.486, 475B.491, 475B.501, 475B.506, 475B.514, 475B.518, 475B.521, 475B.523,
16 475B.526 and 475B.529 do not apply:

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

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

26 “(3) To the making, processing, possession or storage of cannabinoid pro-
27 ducts at a household by one or more persons 21 years of age and older, if the
28 total amount of cannabinoid products at the household does not exceed 16
29 ounces in solid form at any time.

30 “(4) To the making, processing, possession or storage of cannabinoid pro-

1 ducts at a household by one or more persons 21 years of age and older, if the
2 total amount of cannabinoid products at the household does not exceed 72
3 ounces in liquid form at any time.

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

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

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

18 “(8) To the delivery of not more than 16 ounces of cannabinoid products
19 in solid form at a time by a person 21 years of age or older to another person
20 21 years of age or older for noncommercial purposes.

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

24 “(10) To the delivery of not more than 16 ounces of cannabinoid concen-
25 trates at a time by a person 21 years of age or older to another person 21
26 years of age or older for noncommercial purposes.

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

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

1 area subject to the jurisdiction of the county:

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

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

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

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

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

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

10 “(g) Marijuana producers that hold a license issued under ORS 475B.070
11 and that the Oregon Liquor Control Commission has designated as an ex-
12 clusively medical licensee under ORS 475B.122;

13 “(h) Marijuana processors that hold a license issued under ORS 475B.090
14 and that the commission has designated as an exclusively medical licensee
15 under ORS 475B.127;

16 “(i) Marijuana wholesalers that hold a license issued under ORS 475B.100
17 and that the commission has designated as an exclusively medical licensee
18 under ORS 475B.129;

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

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

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

25 “[*(a) To the Oregon Health Authority, in a form and manner prescribed by*
26 *the authority, if the ordinance concerns a medical marijuana dispensary reg-*
27 *istered under ORS 475B.858 or a marijuana processing site registered under*
28 *ORS 475B.840; or]*

29 “[*(b)(A)*] **(a)** To the commission, in a form and manner prescribed by the
30 commission, if the ordinance concerns a premises for which a license **or**

1 **registration** has been issued under ORS 475B.010 to 475B.545; and

2 “[*B*]” (b) To the Oregon Department of Administrative Services, in a form
3 and manner prescribed by the department, within 30 days of enactment of the
4 repeal of the ordinance, if the ordinance concerns a premises for which is-
5 suance of a license is required under ORS 475B.070, 475B.090, 475B.100 or
6 475B.105.

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

8 “475B.605. (1) As is necessary to protect the public health and safety, and
9 in consultation with the Oregon Health Authority and the State Department
10 of Agriculture, the Oregon Liquor Control Commission shall adopt rules es-
11 tablishing standards for the labeling of marijuana items, including but not
12 limited to:

13 “(a) Ensuring that usable marijuana, cannabinoid concentrates and ex-
14 tracts, cannabinoid edibles and other cannabinoid products have labeling
15 that communicates:

16 “(A) Health and safety warnings;

17 “(B) If applicable, activation time;

18 “(C) Potency;

19 “(D) For cannabinoid products and cannabinoid concentrates and extracts,
20 serving size and the number of servings included in a cannabinoid product
21 or cannabinoid concentrate or extract package; and

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

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

26 “[*2*] *In adopting rules under ORS 475B.785 to 475B.949, the authority shall*
27 *require all usable marijuana, cannabinoid products and cannabinoid concen-*
28 *trates and extracts transferred by a medical marijuana dispensary registered*
29 *under ORS 475B.858 to be labeled in accordance with subsection (1) of this*
30 *section and rules adopted under subsection (1) of this section.*”]

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

8 “[(4)] (3) In adopting rules under subsection (1) of this section, the com-
9 mission:

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

13 “[(b) *May establish different minimum labeling standards for persons reg-*
14 *istered under ORS 475B.785 to 475B.949 and persons licensed under ORS*
15 *475B.010 to 475B.545;*]

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

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

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

21 “475B.615. (1) As is necessary to protect the public health and safety, and
22 in consultation with the Oregon Health Authority and the State Department
23 of Agriculture, the Oregon Liquor Control Commission shall adopt rules es-
24 tablishing standards for the packaging of marijuana items, including but not
25 limited to:

26 “(a) Ensuring that usable marijuana, cannabinoid concentrates and ex-
27 tracts, cannabinoid edibles and other cannabinoid products are:

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

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

30 “(i) Is untruthful or misleading;

1 “(ii) Is attractive to minors; or

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

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

6 “[~~(2)~~ **(2)** *In adopting rules under ORS 475B.785 to 475B.949, the authority shall*
7 *require all usable marijuana, cannabinoid products and cannabinoid concen-*
8 *trates and extracts transferred by a medical marijuana dispensary registered*
9 *under ORS 475B.858 to be packaged in accordance with subsection (1) of this*
10 *section and rules adopted under subsection (1) of this section.*]

11 “[~~(3)~~ **(2)** In adopting rules under ORS 475B.010 to 475B.545, the commis-
12 sion shall require all usable marijuana, cannabinoid products and
13 cannabinoid concentrates and extracts sold or transferred by a marijuana
14 retailer that holds a license under ORS 475B.105 **or a medical marijuana**
15 **dispensary registered under section 4 of this 2021 Act** to be packaged in
16 accordance with subsection (1) of this section and rules adopted under sub-
17 section (1) of this section.

18 “[~~(4)~~ **(3)** In adopting rules under subsection (1) of this section, the com-
19 mission:

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

23 “[~~(b)~~ **(b)** *May establish different minimum packaging standards for persons*
24 *registered under ORS 475B.785 to 475B.949 and persons licensed under ORS*
25 *475B.010 to 475B.545;*]

26 “[~~(c)~~ **(b)** May consider the effect on the environment of requiring certain
27 packaging;

28 “[~~(d)~~ **(c)** Shall consider the cost of a potential requirement and how that
29 cost will affect the cost to the ultimate consumer of the marijuana item; and

30 “[~~(e)~~ **(d)** May not adopt rules that are more restrictive than is reasonably

1 necessary to protect the public health and safety.

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

3 “475B.625. (1) The Oregon Health Authority shall adopt rules establishing:

4 “(a) The maximum concentration of tetrahydrocannabinol that is permit-
5 ted in a single serving of a cannabinoid product or cannabinoid concentrate
6 or extract; and

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

9 “(2)(a) In adopting rules under subsection (1)(a) of this section, the au-
10 thority shall prescribe the different levels of concentration of
11 tetrahydrocannabinol that is permitted in a single serving of a cannabinoid
12 product or cannabinoid concentrate or extract for:

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

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

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

23 “[*(3) In adopting rules under ORS 475B.785 to 475B.949, the authority shall*
24 *require all usable marijuana, cannabinoid products and cannabinoid concen-*
25 *trates and extracts transferred by a medical marijuana dispensary registered*
26 *under ORS 475B.858 to meet the concentration standards and packaging*
27 *standards adopted by rule pursuant to this section.*]

28 “[*(4)*] **(3)** In adopting rules under ORS 475B.010 to 475B.545, the Oregon
29 Liquor Control Commission shall **consult with the authority and** require
30 all usable marijuana, cannabinoid products and cannabinoid concentrates

1 and extracts sold or transferred by a marijuana retailer that holds a license
2 under ORS 475B.105 **or a medical marijuana dispensary registered under**
3 **section 4 of this 2021 Act** to meet the concentration standards and [*pack-*
4 *aging*] **servings per package** standards adopted by rule pursuant to this
5 section.

6 **“SECTION 18.** ORS 475B.635 is amended to read:

7 “475B.635. To ensure compliance with ORS 475B.600 to 475B.655 and any
8 rule adopted under ORS 475B.600 to 475B.655, the Oregon Liquor Control
9 Commission may inspect the premises of a person that holds a license under
10 ORS 475B.070, 475B.090, 475B.100 or 475B.105 **or a registration under sec-**
11 **tion 3 or 4 of this 2021 Act.**

12 **“SECTION 19.** ORS 475B.766 is amended to read:

13 “475B.766. A financial institution that provides financial services cus-
14 tomarily provided by financial institutions pursuant to powers granted by
15 ORS 717.200 to 717.320, 717.900 and 717.905, the Bank Act or by ORS chapter
16 723 [*to a marijuana processing site registered under ORS 475B.840, a medical*
17 *marijuana dispensary registered under ORS 475B.858, a marijuana producer*
18 *that holds a license under ORS 475B.070, a marijuana processor that holds a*
19 *license under ORS 475B.090, a marijuana wholesaler that holds a license un-*
20 *der ORS 475B.100, a marijuana retailer that holds a license under ORS*
21 *475B.105, a laboratory that holds a license under ORS 475B.560 or a person*
22 *to whom a permit has been issued under ORS 475B.266] is exempt from any
23 criminal law of this state an element of which may be proven by substanti-
24 ating that a person provides financial services customarily provided by fi-
25 nancial institutions pursuant to powers granted by ORS 717.200 to 717.320,
26 717.900 and 717.905, the Bank Act or ORS chapter 723 to a person who pos-
27 sesses, delivers or manufactures marijuana or marijuana derived products[.]
28 **if the financial services are provided to:***

29 **“(1) A medical marijuana processing site registered under section 3**
30 **of this 2021 Act;**

1 **“(2) A medical marijuana dispensary registered under section 4 of**
2 **this 2021 Act;**

3 **“(3) A marijuana producer that holds a license under ORS 475B.070;**

4 **“(4) A marijuana processor that holds a license under ORS 475B.090;**

5 **“(5) A marijuana wholesaler that holds a license under ORS**
6 **475B.100;**

7 **“(6) A marijuana retailer that holds a license under ORS 475B.105;**

8 **“(7) A laboratory that holds a license under ORS 475B.560; or**

9 **“(8) A person to whom a permit has been issued under ORS**
10 **475B.266.**

11 **“SECTION 20. ORS 475B.791 is amended to read:**

12 **“475B.791. As used in ORS 475B.785 to 475B.949:**

13 **“(1) ‘Attending physician’ means a physician licensed under ORS chapter**
14 **677 who has primary responsibility for the care and treatment of a person**
15 **diagnosed with a debilitating medical condition.**

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

18 **“(3) ‘Cannabinoid concentrate’ means a substance obtained by separating**
19 **cannabinoids from marijuana by:**

20 **“(a) A mechanical extraction process;**

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

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

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

29 **“(4) ‘Cannabinoid edible’ means food or potable liquid into which a**
30 **cannabinoid concentrate, cannabinoid extract or dried leaves or flowers of**

1 marijuana have been incorporated.

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

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

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

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

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

11 “(a) Cancer, glaucoma, a degenerative or pervasive neurological condi-
12 tion, positive status for human immunodeficiency virus or acquired immune
13 deficiency syndrome, or a side effect related to the treatment of those med-
14 ical conditions;

15 “(b) A medical condition or treatment for a medical condition that
16 produces, for a specific patient, one or more of the following:

17 “(A) Cachexia;

18 “(B) Severe pain;

19 “(C) Severe nausea;

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

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

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

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

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

28 “(b) ‘Delivery’ does not include transfer of marijuana by a registry iden-
29 tification cardholder to another registry identification cardholder if no con-
30 sideration is paid for the transfer.

1 “(8)(a) ‘Designated primary caregiver’ means an individual:
2 “(A) Who is 18 years of age or older;
3 “(B) Who has significant responsibility for managing the well-being of a
4 person who has been diagnosed with a debilitating medical condition; and
5 “(C) Who is designated as the person responsible for managing the well-
6 being of a person who has been diagnosed with a debilitating medical con-
7 dition on that person’s application for a registry identification card or in
8 other written notification submitted to the authority.
9 “(b) ‘Designated primary caregiver’ does not include a person’s attending
10 physician.
11 “(9) ‘High heat’ means a temperature exceeding 180 degrees.
12 “(10) ‘Immature marijuana plant’ means a marijuana plant that is not
13 flowering.
14 “(11)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae, any
15 part of the plant Cannabis family Cannabaceae and the seeds of the plant
16 Cannabis family Cannabaceae.
17 “(b) ‘Marijuana’ does not include:
18 “(A) Industrial hemp, as defined in ORS 571.269; or
19 “(B) Prescription drugs, as that term is defined in ORS 689.005, including
20 those containing one or more cannabinoids, that are approved by the United
21 States Food and Drug Administration and dispensed by a pharmacy, as de-
22 fined in ORS 689.005.
23 “(12) ‘Marijuana grow site’ means a location registered under ORS
24 475B.810 where marijuana is produced for use by a registry identification
25 cardholder.
26 “[13] *‘Marijuana processing site’ means a marijuana processing site regis-*
27 *tered under ORS 475B.840 or a site for which an applicant has submitted an*
28 *application for registration under ORS 475B.840.]*
29 “[14] **(13)** ‘Mature marijuana plant’ means a marijuana plant that is not
30 an immature marijuana plant.

1 “[(15)(a)] **(14)(a)** ‘Medical cannabinoid product’ means a cannabinoid
2 edible and any other product intended for human consumption or use, in-
3 cluding a product intended to be applied to a person’s skin or hair, that
4 contains cannabinoids or dried leaves or flowers of marijuana.

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

6 “(A) Usable marijuana by itself;

7 “(B) A cannabinoid concentrate by itself;

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

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

10 “[(16) ‘Medical marijuana dispensary’ means a medical marijuana
11 dispensary registered under ORS 475B.858 or a site for which an applicant
12 has submitted an application for registration under ORS 475B.858.]

13 “[(17)] **(15)** ‘Medical use of marijuana’ means the production, processing,
14 possession, delivery or administration of marijuana, or use of paraphernalia
15 used to administer marijuana, to mitigate the symptoms or effects of a de-
16 bilitating medical condition.

17 “[(18)] **(16)** ‘Person designated to produce marijuana by a registry iden-
18 tification cardholder’ means a person designated to produce marijuana by a
19 registry identification cardholder under ORS 475B.810 who produces
20 marijuana for a registry identification cardholder at an address other than
21 the address where the registry identification cardholder resides or at an ad-
22 dress where more than 12 mature marijuana plants are produced.

23 “[(19) ‘Process’ means the compounding or conversion of marijuana into
24 medical cannabinoid products, cannabinoid concentrates or cannabinoid ex-
25 tracts.]

26 “[(20)] **(17)** ‘Production’ means:

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

28 “(b) Drying marijuana leaves or flowers.

29 “[(21)] **(18)** ‘Registry identification card’ means a document issued by the
30 Oregon Health Authority under ORS 475B.797 that identifies a person au-

1 thorized to engage in the medical use of marijuana and, if the person has a
2 designated primary caregiver under ORS 475B.804, the person’s designated
3 primary caregiver.

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

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

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

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

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

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

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

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

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

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

25 “(2) Rules adopted under this section must require an applicant for a
26 registry identification card, or a registry identification cardholder who
27 produces marijuana or who designates another person to produce marijuana,
28 to submit an application to the authority containing the following informa-
29 tion at the time of making an application under ORS 475B.797 (2), renewing
30 a registry identification card under ORS 475B.797 (6)(b), or notifying the

1 authority of a change under ORS 475B.797 (6)(a):

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

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

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

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

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

11 “(3)(a) The authority shall conduct a criminal records check under ORS
12 181A.195 of any person whose name is submitted under this section as the
13 person responsible for a marijuana grow site.

14 “(b) A person convicted of a Class A or Class B felony under ORS 475.752
15 to 475.920 for the manufacture or delivery of a controlled substance in
16 Schedule I or Schedule II may not act as or be designated a person respon-
17 sible for a marijuana grow site for two years from the date of conviction.

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

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

25 “(5) A person who holds a marijuana grow site registration card under
26 this section must display the card at the marijuana grow site at all times.

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

30 “(7)(a) All seeds, immature marijuana plants, mature marijuana plants

1 and usable marijuana associated with the production of marijuana for a
2 registry identification cardholder by a person responsible for a marijuana
3 grow site are the property of the registry identification cardholder.

4 “(b) All seeds, immature marijuana plants, mature marijuana plants and
5 usable marijuana associated with the production of marijuana for a registry
6 identification cardholder by a person responsible for a marijuana grow site
7 must be transferred to the registry identification cardholder upon the request
8 of the registry identification cardholder.

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

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

24 “(e) Information related to transfers made under this subsection must be
25 submitted to the authority in the manner required by ORS 475B.816.

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

30 “(9) The authority may inspect:

1 “(a) The marijuana grow site of a person designated to produce marijuana
2 by a registry identification cardholder to ensure compliance with this section
3 and ORS 475B.816 and 475B.831 and any rule adopted under this section and
4 ORS 475B.816 and 475B.831; and

5 “(b) The records of the marijuana grow site of a person designated to
6 produce marijuana by a registry identification cardholder to ensure compli-
7 ance with this section and ORS 475B.816 and any rule adopted under this
8 section and ORS 475B.816.

9 “(10) The authority may refuse to register a registry identification
10 cardholder or a designee under this section or may suspend or revoke the
11 registration of a person responsible for a marijuana grow site if the author-
12 ity determines that the applicant or the person responsible for a marijuana
13 grow site violated a provision of ORS 475B.785 to 475B.949, a rule adopted
14 under ORS 475B.785 to 475B.949 or an ordinance adopted pursuant to ORS
15 475B.928.

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

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

21 “475B.816. (1) A person designated to produce marijuana by a registry
22 identification cardholder must submit to the Oregon Health Authority, in a
23 form and manner established by the authority by rule, the following infor-
24 mation related to the production of marijuana:

25 “(a) The number of mature marijuana plants and immature marijuana
26 plants, the amount of marijuana leaves and flowers being dried, and the
27 amount of usable marijuana, in the person’s possession;

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

1 “(c) The amount of usable marijuana that the person transfers to each
2 **medical** marijuana processing site **registered under section 3 of this 2021**
3 **Act**; and

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

7 “(2) The authority shall by rule require a person designated to produce
8 marijuana by a registry identification cardholder to submit the information
9 described in subsection (1) of this section once each month. The authority
10 may not employ any method other than that described in this section to ob-
11 tain information related to the production of marijuana from a person des-
12 igned to produce marijuana by a registry identification cardholder.

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

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

19 “475B.876. (1) The Oregon Health Authority shall maintain a telephone
20 hotline for the following persons to inquire if an address is the location of
21 a marijuana grow site[, *marijuana processing site or medical marijuana*
22 *dispensary*] or is the proposed location of a marijuana grow site[, *marijuana*
23 *processing site or medical marijuana dispensary*]:

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

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

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

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

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

30 “475B.879. (1) The Oregon Health Authority shall develop and maintain

1 a database of information related to the production of marijuana by persons
2 designated to produce marijuana by a registry identification cardholder[, *the*
3 *processing of marijuana by a marijuana processing site under ORS 475B.840*
4 *and the transfer of usable marijuana, medical cannabinoid products,*
5 *cannabinoid concentrates and cannabinoid extracts by medical marijuana*
6 *dispensaries under ORS 475B.858*]. At a minimum, the database must include
7 the information submitted to the authority under ORS 475B.816[, *475B.846*
8 *and 475B.867*].

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

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

15 “(c) The authority may not disclose:

16 “(A) Any personally identifiable information related to a registry iden-
17 tification cardholder or a designated primary caregiver that is stored in the
18 database developed and maintained under this section.

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

24 “(3) Nothing in this section prevents a law enforcement agency from
25 lawfully obtaining information that is stored in the database developed and
26 maintained under this section by subpoena.

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

28 “475B.885. (1) Any personally identifiable information, as defined in ORS
29 432.005, [*other than a name of an individual or an address submitted with an*
30 *application under ORS 475B.840 or 475B.858,*] that the Oregon Health Au-

1 thority collects and maintains for purposes of registering a marijuana grow
2 site under ORS 475B.810[, *a marijuana processing site under ORS 475B.840,*
3 *or a medical marijuana dispensary under ORS 475B.858,*] is confidential and
4 not subject to public disclosure under ORS 192.311 to 192.478, except that the
5 authority may provide personally identifiable information to a person regis-
6 tered under ORS 475B.785 to 475B.949 if the registrant requests the infor-
7 mation and the information is related to a designation made under ORS
8 475B.785 to 475B.949.

9 “(2) Any personally identifiable information, as defined in ORS 432.005,
10 submitted to the authority under ORS 475B.816[, *475B.846 or 475B.867*] or
11 pursuant to ORS 475B.879 is confidential and not subject to public disclosure
12 under ORS 192.311 to 192.478.

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

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

18 “475B.888. Notwithstanding ORS 475B.885, if the Oregon Health Authority
19 suspends or revokes the registration of the marijuana grow site of a person
20 designated to produce marijuana by a registry identification cardholder[, *a*
21 *marijuana processing site or a medical marijuana dispensary,*] or otherwise
22 takes disciplinary action against the marijuana grow site of a person desig-
23 nated to produce marijuana by a registry identification cardholder[, *a*
24 *marijuana processing site or a medical marijuana dispensary*], the authority
25 shall provide that information to a law enforcement agency.

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

27 “475B.895. (1) The Oregon Health Authority shall enter into an agreement
28 with the Oregon Liquor Control Commission under which the commission
29 shall use the system developed and maintained under ORS 475B.177 to track:

30 “(a) The propagation of immature marijuana plants and the production

1 of marijuana by marijuana grow sites;

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

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

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

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

16 “(3) On and after the date on which a marijuana grow site becomes sub-
17 ject to tracking under this section, the person is exempt from the require-
18 ments of ORS 475B.816 and the provisions of ORS 475B.810 that relate to
19 ORS 475B.816.

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

24 “[*(5)* *On and after the date on which a medical marijuana dispensary be-*
25 *comes subject to tracking under this section, the medical marijuana dispensary*
26 *is exempt from the requirements of ORS 475B.867 and the provisions of ORS*
27 *475B.858 that relate to ORS 475B.867.*]

28 “[*(6)*] **(4)** The commission may conduct inspections and investigations of
29 alleged violations of ORS 475B.785 to 475B.949 about which the commission
30 obtains knowledge as a result of performing the commission’s duties under

1 this section. Notwithstanding ORS 475B.299, the commission may use regu-
2 latory specialists, as defined in ORS 471.001, to conduct the inspections and
3 investigations, including inspections and investigations of marijuana grow
4 sites located at a primary residence.

5 “[7] (5) When imposing a fee on a person responsible for a marijuana
6 grow site[, *marijuana processing site or medical marijuana dispensary*] under
7 ORS 475B.810[, *475B.840 or 475B.858*], the authority shall impose a fee that
8 is reasonably calculated to pay costs incurred under this section. As part of
9 the agreement entered into under subsection (1) of this section, the authority
10 shall transfer fee moneys collected pursuant to this subsection to the com-
11 mission for deposit in the Marijuana Control and Regulation Fund estab-
12 lished under ORS 475B.296. Moneys collected pursuant to this subsection and
13 deposited in the Marijuana Control and Regulation Fund are continuously
14 appropriated to the commission for purposes of this section.

15 “[8] (6) The authority and the commission may adopt rules as necessary
16 to administer this section.

17 “[9] (7) This section does not apply to a marijuana grow site located at
18 an address where:

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

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

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

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

29 “475B.895. (1) The Oregon Health Authority shall enter into an agreement
30 with the Oregon Liquor Control Commission under which the commission

1 shall use the system developed and maintained under ORS 475B.177 to track:

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

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

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

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

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

18 “(3) On and after the date on which a marijuana grow site becomes sub-
19 ject to tracking under this section, the person is exempt from the require-
20 ments of ORS 475B.816 and the provisions of ORS 475B.810 that relate to
21 ORS 475B.816.

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

26 “[*(5) On and after the date on which a medical marijuana dispensary be-*
27 *comes subject to tracking under this section, the medical marijuana dispensary*
28 *is exempt from the requirements of ORS 475B.867 and the provisions of ORS*
29 *475B.858 that relate to ORS 475B.867.*]

30 “[*(6)*] **(4)** The commission may conduct inspections and investigations of

1 alleged violations of ORS 475B.785 to 475B.949 about which the commission
2 obtains knowledge as a result of performing the commission's duties under
3 this section. Notwithstanding ORS 475B.299, the commission may use regu-
4 latory specialists, as defined in ORS 471.001, to conduct the inspections and
5 investigations, including inspections and investigations of marijuana grow
6 sites located at a primary residence.

7 “[7] (5) Notwithstanding ORS 475B.759, before making any other dis-
8 tribution from the Oregon Marijuana Account established under ORS
9 475B.759, the Department of Revenue shall first distribute moneys quarterly
10 from the account to the commission for deposit in the Marijuana Control and
11 Regulation Fund established under ORS 475B.296 for purposes of paying ad-
12 ministrative, inspection and investigatory costs incurred by the commission
13 under this section, provided that the amount of distributed moneys does not
14 exceed \$1.25 million per quarter. For purposes of estimating the amount of
15 moneys necessary to pay costs incurred under this section, the commission
16 shall establish a formulary based on expected costs for each marijuana grow
17 site[, *marijuana processing site or medical marijuana dispensary*] that is
18 tracked under this section. The commission shall provide to the Department
19 of Revenue and the Legislative Fiscal Officer before each quarter the esti-
20 mated amount of moneys necessary to pay costs expected to be incurred un-
21 der this section and the formulary.

22 “[8] (6) When imposing a fee on a person responsible for a marijuana
23 grow site[, *marijuana processing site or medical marijuana dispensary*] under
24 ORS 475B.810, [475B.840 or 475B.858,] the authority shall impose an addi-
25 tional fee that is reasonably calculated to pay costs incurred under this
26 section other than costs paid pursuant to subsection [(7)] (5) of this section.
27 As part of the agreement entered into under subsection (1) of this section,
28 the authority shall transfer fee moneys collected pursuant to this subsection
29 to the commission for deposit in the Marijuana Control and Regulation Fund
30 established under ORS 475B.296. Moneys collected pursuant to this sub-

1 section and deposited in the Marijuana Control and Regulation Fund are
2 continuously appropriated to the commission for purposes of this section.

3 “[9] (7) The authority and the commission may adopt rules as necessary
4 to administer this section.

5 “[10] (8) This section does not apply to a marijuana grow site located
6 at an address where:

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

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

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

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

15 “475B.907. Except as provided in ORS 475B.910, a person engaged in or
16 assisting in the medical use of marijuana is exempt from the criminal laws
17 of this state for possession, delivery or manufacture of marijuana, aiding and
18 abetting another in the possession, delivery or manufacture of marijuana, or
19 any other criminal offense in which possession, delivery or manufacture of
20 marijuana is an element if:

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

22 “(2) The person has applied for a registry identification card under ORS
23 475B.797 and the person has proof of written documentation described in ORS
24 475B.797 (2)(a) and proof of the date on which the person submitted the ap-
25 plication to the Oregon Health Authority. An exemption under this sub-
26 section applies only until the authority approves or denies the application.

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

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

30 “[5] *The person owns, is responsible for, or is employed by, a marijuana*

1 *processing site.*]

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

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

5 “475B.922. (1) Registration under ORS 475B.785 to 475B.949 or possession
6 of proof of registration under ORS 475B.785 to 475B.949 does not constitute
7 probable cause to search the person or property of the registrant or other-
8 wise subject the person or property of the registrant to inspection by a
9 government agency. However, the Oregon Health Authority may inspect the
10 marijuana grow site of a person designated to produce marijuana by a reg-
11 istry identification cardholder[*a marijuana processing site registered under*
12 *ORS 475B.840, or a medical marijuana dispensary registered under ORS*
13 *475B.858,*] at any reasonable time to determine whether the person responsi-
14 ble for the marijuana grow site[*the person responsible for the marijuana*
15 *processing site, or the person responsible for the medical marijuana*
16 *dispensary,*] is in compliance with ORS 475B.785 to 475B.949 and rules
17 adopted under ORS 475B.785 to 475B.949.

18 “(2) Any property interest possessed, owned or used in connection with
19 the medical use of marijuana or acts incidental to the medical use of
20 marijuana that has been seized by state or local law enforcement officers
21 may not be harmed, neglected, injured or destroyed while in the possession
22 of a law enforcement agency, except that a law enforcement agency has no
23 responsibility to maintain live marijuana plants lawfully seized. Such prop-
24 erty interest may not be forfeited under any provision of law providing for
25 the forfeiture of property, except pursuant to a sentence imposed after con-
26 viction of a criminal offense. Marijuana and equipment or paraphernalia
27 used to produce, process or administer marijuana that was seized by a law
28 enforcement officer shall be returned immediately if the district attorney in
29 whose county the property was seized, or the district attorney’s designee,
30 determines that the person from whom the marijuana, equipment or par-

1 aphernalia was seized is entitled to the protections provided by ORS 475B.785
2 to 475B.949. The determination may be evidenced by a decision not to pros-
3 ecute, the dismissal of charges or acquittal.

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

5 “475B.928. (1) For purposes of this section, ‘reasonable regulations’ in-
6 cludes:

7 “(a) Reasonable limitations on the hours during which the marijuana
8 grow site of a person designated to produce marijuana by a registry iden-
9 tification cardholder[, *a marijuana processing site or a medical marijuana*
10 *dispensary*] may operate;

11 “(b) Reasonable conditions on the manner in which the marijuana grow
12 site of a person designated to produce marijuana by a registry identification
13 cardholder[, *a marijuana processing site or a medical marijuana dispensary*]
14 may transfer usable marijuana, [*medical cannabinoid products, cannabinoid*
15 *concentrates, cannabinoid extracts,*] immature marijuana plants and seeds;

16 “(c) Reasonable requirements related to the public’s access to the
17 marijuana grow site of a person designated to produce marijuana by a reg-
18 istry identification cardholder[, *a marijuana processing site or a medical*
19 *marijuana dispensary*]; and

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

23 “(2) Notwithstanding ORS 30.935, 215.253 (1) or 633.738, the governing
24 body of a city or county may adopt ordinances that impose reasonable regu-
25 lations on the operation of marijuana grow sites of persons designated to
26 produce marijuana by registry identification cardholders[, *marijuana pro-*
27 *cessing sites and medical marijuana dispensaries that*] **if the marijuana**
28 **grow sites** are located in the area subject to the jurisdiction of the city or
29 county.

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

1 “475B.965. If a city or county enacts or has enacted an ordinance prohib-
2 iting or allowing **medical** marijuana processing sites registered under [*ORS*
3 *475B.840*] **section 3 of this 2021 Act** or medical marijuana dispensaries
4 registered under [*ORS 475B.858*] **section 4 of this 2021 Act**, the governing
5 body of the city or the county may amend the ordinance, without referring
6 the amendment to the electors of the city or county under ORS 475B.968, to
7 prohibit or allow the premises of a licensee, as those terms are defined in
8 ORS 475B.015, that has been designated an exclusively medical licensee un-
9 der ORS 475B.122, 475B.127, 475B.129 or 475B.131.

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

11 “475B.968. (1) The governing body of a city or county may adopt ordi-
12 nances to be referred to the electors of the city or county as described in
13 subsection (2) of this section that prohibit or allow the establishment of any
14 one or more of the following in the area subject to the jurisdiction of the
15 city or in the unincorporated area subject to the jurisdiction of the county:

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

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

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

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

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

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

24 “(g) Marijuana producers that hold a license issued under ORS 475B.070
25 and that the Oregon Liquor Control Commission has designated as an ex-
26 clusively medical licensee under ORS 475B.122;

27 “(h) Marijuana processors that hold a license issued under ORS 475B.090
28 and that the commission has designated as an exclusively medical licensee
29 under ORS 475B.127;

30 “(i) Marijuana wholesalers that hold a license issued under ORS 475B.100

1 and that the commission has designated as an exclusively medical licensee
2 under ORS 475B.129;

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

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

7 “(2) If the governing body of a city or county adopts an ordinance under
8 this section, the governing body shall submit the measure of the ordinance
9 to the electors of the city or county for approval at the next statewide gen-
10 eral election.

11 “(3) If the governing body of a city or county adopts an ordinance under
12 this section, the governing body must provide the text of the ordinance[:]

13 “[*(a) To the Oregon Health Authority, in a form and manner prescribed by*
14 *the authority, if the ordinance concerns a medical marijuana dispensary reg-*
15 *istered under ORS 475B.858 or a marijuana processing site registered under*
16 *ORS 475B.840; or]*

17 “[*(b)*] to the commission, if the ordinance concerns a premises for which
18 a license **or registration** has been issued under ORS 475B.010 to 475B.545.

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

22 “[*(b)*] **(4)** Upon receiving notice of a prohibition under subsection (3) of
23 this section, the commission shall discontinue licensing **or registering** those
24 premises to which the prohibition applies until the date of the next statewide
25 general election.

26 “[*(5)(a) If an allowance is approved at the next statewide general election*
27 *under subsection (2) of this section, and the allowance concerns an entity de-*
28 *scribed in subsection (1)(a) or (b) of this section, the authority shall begin*
29 *registering the entity to which the allowance applies on the first business day*
30 *of the January immediately following the date of the statewide general*

1 *election.*]

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

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

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

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

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

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

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

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

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

3 **“SECTION 34.** ORS 475B.610 is amended to read:

4 “475B.610. (1) As used in this section[:],

5 “[*(a)*] ‘licensee’ has the meaning given that term in ORS 475B.015.

6 “[*(b)*] ‘*Registrant*’ means a person registered under ORS 475B.785 to
7 475B.949.]

8 “(2) The Oregon Liquor Control Commission may by rule require a
9 licensee[, *and the Oregon Health Authority may by rule require a registrant,*]
10 to submit a label intended for use on a marijuana item for preapproval by
11 the commission before the licensee [*or registrant*] may sell or transfer a
12 marijuana item bearing the label. The commission shall determine whether
13 a label submitted under this section complies with ORS 475B.605 and any
14 rule adopted under ORS 475B.605.

15 “(3) The commission may impose a fee for submitting a label for preap-
16 proval under this section that is reasonably calculated to not exceed the cost
17 of administering this section.

18 **“SECTION 35.** ORS 475B.620 is amended to read:

19 “475B.620. (1) As used in this section[:],

20 “[*(a)*] ‘licensee’ has the meaning given that term in ORS 475B.015.

21 “[*(b)*] ‘*Registrant*’ means a person registered under ORS 475B.785 to
22 475B.949.]

23 “(2) The Oregon Liquor Control Commission may by rule require a
24 licensee[, *and the Oregon Health Authority may by rule require a registrant,*]
25 to submit packaging intended for a marijuana item for preapproval by the
26 commission before the licensee [*or registrant*] may sell or transfer a
27 marijuana item packaged in the packaging. The commission shall determine
28 whether packaging submitted under this section complies with ORS 475B.615
29 and any rule adopted under ORS 475B.615.

30 “(3) The commission may impose a fee for submitting packaging for pre-

1 approval under this section that is reasonably calculated to not exceed the
2 cost of administering this section.

3 **SECTION 36.** ORS 475B.778 is amended to read:

4 “475B.778. Information received by a financial institution under ORS
5 475B.769[, 475B.772] or 475B.775 is confidential for purposes of ORS 717.200
6 to 717.320, 717.900 and 717.905, the Bank Act and ORS chapter 723. Except
7 as otherwise required or permitted by the provisions of ORS 192.583 to
8 192.607, 717.200 to 717.320, 717.900 and 717.905, or the Bank Act or ORS
9 chapter 723, or by other state law or rule or federal law or regulation, a fi-
10 nancial institution may not make the information available to any person
11 other than:

12 “(1) The customer to whom the information applies; and

13 “(2) A trustee, conservator, guardian, personal representative or agent of
14 the customer to whom the information applies.

15 **SECTION 37.** ORS 475B.555 is amended to read:

16 “475B.555. (1) As is necessary to protect the public health and safety, and
17 in consultation with the Oregon Liquor Control Commission and the State
18 Department of Agriculture, the Oregon Health Authority shall adopt rules:

19 “(a) Establishing standards for testing marijuana items.

20 “(b) Identifying appropriate tests for marijuana items, depending on the
21 type of marijuana item and the manner in which the marijuana item was
22 produced or processed, that are necessary to protect the public health and
23 safety, including, but not limited to, tests for:

24 “(A) Microbiological contaminants;

25 “(B) Pesticides;

26 “(C) Other contaminants;

27 “(D) Solvents or residual solvents; and

28 “(E) Tetrahydrocannabinol and cannabidiol concentration.

29 “(c) Establishing procedures for determining batch sizes and for sampling
30 usable marijuana, cannabinoid products and cannabinoid concentrates or

1 extracts.

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

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

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

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

16 “[*(b) A person processing marijuana to test cannabinoid products or*
17 *cannabinoid concentrates or extracts before transferring the cannabinoid pro-*
18 *ducts or cannabinoid concentrates or extracts to a registrant other than an*
19 *individual who holds a registry identification card under ORS 475B.797.]*

20 “[*(4)*] **(3)** In adopting rules under ORS 475B.010 to 475B.545, the commis-
21 sion may require:

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

25 “(b) A marijuana processor that holds a license under ORS 475B.090 or a
26 marijuana wholesaler that holds a license under ORS 475B.100 to test
27 cannabinoid products or cannabinoid concentrates or extracts before selling
28 or transferring the cannabinoid products or cannabinoid concentrates or ex-
29 tracts.

30 “[*(5)*] **(4)** The authority and the commission may conduct random testing

1 of marijuana items for the purpose of determining whether a [*person subject*
2 *to testing under subsection (3) of this section or a*] licensee subject to testing
3 under subsection [(4)] (3) of this section is in compliance with this section.

4 “[6] (5) In adopting rules to implement this section, the authority and
5 commission may not require a marijuana item to undergo the same test more
6 than once unless the marijuana item is processed into a different type of
7 marijuana item or the condition of the marijuana item has fundamentally
8 changed.

9 “[7] (6) The testing of marijuana items as required by this section must
10 be conducted by a laboratory licensed by the commission under ORS 475B.560
11 and accredited by the authority under ORS 475B.565.

12 “[8] (7) In adopting rules under subsection (1) of this section, the au-
13 thority:

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

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

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

19 “475B.940. (1) For purposes of ORS 475B.785 to 475B.949, seeds of the plant
20 Cannabis family Cannabaceae are a propagant of nursery stock as defined
21 in ORS 571.005.

22 “(2) Notwithstanding subsection (1) of this section, the production [*and*
23 *processing*] of seeds under ORS 475B.785 to 475B.949 is not subject to the
24 labeling or other requirements of ORS 576.715 to 576.744 or 633.511 to 633.750.

25 **“SECTION 39.** ORS 475B.640, 475B.650, 475B.772, 475B.840, 475B.843,
26 475B.846, 475B.849, 475B.852, 475B.855, 475B.858, 475B.861, 475B.864,
27 475B.867, 475B.870, 475B.873, 475B.898, 475B.901 and 475B.904 and section
28 174, chapter 614, Oregon Laws 2015, are repealed.

29 **“SECTION 40.** (1) Sections 2 to 6 of this 2021 Act, the amendments
30 to ORS 90.396, 323.505, 475B.063, 475B.167, 475B.206, 475B.286, 475B.301,

1 475B.496, 475B.555, 475B.605, 475B.610, 475B.615, 475B.620, 475B.625,
2 475B.635, 475B.766, 475B.778, 475B.791, 475B.810, 475B.816, 475B.876,
3 475B.879, 475B.885, 475B.888, 475B.895, 475B.907, 475B.922, 475B.928,
4 475B.940, 475B.965 and 475B.968 by sections 7 to 38 of this 2021 Act and
5 the repeal of ORS 475B.640, 475B.650, 475B.772, 475B.840, 475B.843,
6 475B.846, 475B.849, 475B.852, 475B.855, 475B.858, 475B.861, 475B.864,
7 475B.867, 475B.870, 475B.873, 475B.898, 475B.901 and 475B.904 and section
8 174, chapter 614, Oregon Laws 2015, by section 39 of this 2021 Act be-
9 come operative on January 1, 2022.

10 “(2) The Oregon Health Authority and the Oregon Liquor Control
11 Commission may take any action before the operative date specified
12 in subsection (1) of this section that is necessary to enable the au-
13 thority and the commission to exercise, on and after the operative
14 date specified in subsection (1) of this section, all of the duties, func-
15 tions and powers conferred on the authority and the commission by
16 sections 2 to 6 of this 2021 Act, the amendments to ORS 90.396, 323.505,
17 475B.063, 475B.167, 475B.206, 475B.286, 475B.301, 475B.496, 475B.555,
18 475B.605, 475B.610, 475B.615, 475B.620, 475B.625, 475B.635, 475B.766,
19 475B.778, 475B.791, 475B.810, 475B.816, 475B.876, 475B.879, 475B.885,
20 475B.888, 475B.895, 475B.907, 475B.922, 475B.928, 475B.940, 475B.965 and
21 475B.968 by sections 7 to 38 of this 2021 Act and the repeal of ORS
22 475B.640, 475B.650, 475B.772, 475B.840, 475B.843, 475B.846, 475B.849,
23 475B.852, 475B.855, 475B.858, 475B.861, 475B.864, 475B.867, 475B.870,
24 475B.873, 475B.898, 475B.901 and 475B.904 and section 174, chapter 614,
25 Oregon Laws 2015, by section 39 of this 2021 Act.

26 “SECTION 41. (1) On and after October 1, 2021, a medical marijuana
27 processing site and a medical marijuana dispensary, as those terms
28 are defined in section 2 of this 2021 Act, may apply to the Oregon Li-
29 quor Control Commission for registration under sections 3 and 4 of
30 this 2021 Act.

1 **“(2) The Oregon Health Authority may not issue or renew a regis-**
2 **tration under ORS 475B.840 or 475B.858 or collect fees for the issuance**
3 **of an initial registration under ORS 475B.840 or 475B.858 on or after**
4 **October 1, 2021.**

5
6 **“MARIJUANA PLANT DIVERSITY**

7
8 **“SECTION 42.** ORS 475B.070 is amended to read:

9 “475B.070. (1) The production of marijuana is subject to regulation by the
10 Oregon Liquor Control Commission.

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

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

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

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

18 “(3)(a) If the applicant is not the owner of the premises at which the
19 marijuana is to be produced, the applicant shall submit to the commission
20 signed informed consent from the owner of the premises to produce
21 marijuana at the premises.

22 “(b) The commission may adopt rules regarding the informed consent de-
23 scribed in this subsection.

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

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

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

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

1 “(d) Assist the viability of marijuana producers that are independently
2 owned and operated and that are limited in size and revenue with respect to
3 other marijuana producers, by minimizing barriers to entry into the regu-
4 lated system and by expanding, to the extent practicable, transportation
5 options that will support their access to the retail market;

6 “(e) Allow a marijuana producer registered under ORS 475B.136 to
7 produce marijuana for medical purposes in the same manner that rules
8 adopted under ORS 475B.010 to 475B.545 allow a marijuana producer to
9 produce marijuana for nonmedical purposes, excepting those circumstances
10 where differentiating between the production of marijuana for medical pur-
11 poses and the production of marijuana for nonmedical purposes is necessary
12 to protect the public health and safety;

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

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

20 **“(h) Support marijuana plant diversity by allowing a qualified**
21 **marijuana producer to receive marijuana seeds from any source in this**
22 **state.**

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

24 “(a) May not exceed, together with other fees collected under ORS
25 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545;

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

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

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

3 **“(2) The Oregon Liquor Control Commission may take any action**
4 **before the operative date specified in subsection (1) of this section that**
5 **is necessary to enable the commission, on and after the operative date**
6 **specified in subsection (1) of this section, all of the duties, functions**
7 **and powers conferred on the commission by the amendments to ORS**
8 **475B.070 by section 42 of this 2021 Act.**

9

10

“CAPTIONS

11

12 **“SECTION 44. The unit captions used in this 2021 Act are provided**
13 **only for the convenience of the reader and do not become part of the**
14 **statutory law of this state or express any legislative intent in the**
15 **enactment of this 2021 Act.**

16

17

“EFFECTIVE DATE

18

19 **“SECTION 45. This 2021 Act takes effect on the 91st day after the**
20 **date on which the 2021 regular session of the Eighty-first Legislative**
21 **Assembly adjourns sine die.”.**

22
