

A-Engrossed
House Bill 2515

Ordered by the House April 10
Including House Amendments dated April 10

Sponsored by Representative LIVELY; Representative GRAYBER (Presession filed.)

SUMMARY

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

Allows marijuana producer, marijuana wholesaler, marijuana processor or marijuana retailer to use motion detection camera system at licensed premises. [*Allows, under specified conditions, minor children of owner of marijuana enterprise to be present at licensed premises where marijuana enterprise is located.*] **Directs Oregon Liquor and Cannabis Commission to issue greenhouse endorsement to certain marijuana producers. Prohibits commission from accepting application for new license for marijuana entity unless number of active licenses meet per capita requirements. Allows marijuana processors to transfer usable marijuana to registry identification cardholder. Allows marijuana processor to use marijuana production facility for making products that do not contain cannabinoids.** Authorizes [*Oregon Liquor and Cannabis*] commission to adopt rules to allow marijuana licensee to use electronic technology for age verification purposes. **Establishes possession limits for cannabinoid edibles.**

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to cannabis; creating new provisions; amending ORS 475C.049, 475C.085, 475C.141, 475C.217,
3 475C.229, 475C.337, 475C.341, 475C.345 and 475C.349; and prescribing an effective date.

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

5 **SECTION 1. Sections 2 to 4 of this 2023 Act are added to and made a part of ORS 475C.005**
6 **to 475C.525.**

7 **SECTION 2. (1) A licensee may use at the premises for which a license is issued under**
8 **ORS 475C.065, 475C.085, 475C.093 or 475C.097 a motion detection camera system that:**

9 (a) **Uses video analytics for monitoring purposes;**

10 (b) **Is capable of storing video recorded, via video analytics, through the system; and**

11 (c) **Allows for searching and auditing of the video required by the Oregon Liquor and**
12 **Cannabis Commission by rule to be stored through the system and searching and auditing**
13 **of the system's log, including for changes to the motion detection sensitivity settings and**
14 **camera activity.**

15 (2) **A licensee may not be required to continuously record video or to store all data re-**
16 **corded through the motion detection camera system described in subsection (1) of this sec-**
17 **tion.**

18 (3) **The commission may adopt rules to carry out this section.**

19 **SECTION 3. (1) As used in this section, "greenhouse" means a structure intended to**
20 **shelter mature marijuana plants and that does not use supplemental lights or heating or**
21 **cooling systems.**

22 (2) **The Oregon Liquor and Cannabis Commission shall issue a greenhouse endorsement**

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

1 to a marijuana producer that holds a license issued under ORS 475C.065 and meets any re-
2 quirements established by the commission by rule.

3 (3) The commission may not require a marijuana producer described in this section that
4 holds an active license issued under ORS 475C.065 to apply for a new license to produce
5 marijuana in order to obtain the greenhouse endorsement under this section.

6 (4) The commission may adopt rules to carry out this section.

7 **SECTION 4.** (1) The Oregon Liquor and Cannabis Commission may not accept an appli-
8 cation for a new license under ORS 475C.065, 475C.085, 475C.093 or 475C.097 unless:

9 (a) For a production license under ORS 475C.065, there is not more than one active li-
10 cense per 7,500 residents in this state who are 21 years of age or older.

11 (b) For a processor license under ORS 475C.085, there is not more than one active license
12 per 12,500 residents in this state who are 21 years of age or older.

13 (c) For a wholesaler license under ORS 475C.093, there is not more than one active li-
14 cense per 12,500 residents in this state who are 21 years of age or older.

15 (d) For a retailer license under ORS 475C.097, there is not more than one active license
16 per 7,500 residents in this state who are 21 years of age or older.

17 (2) Subsection (1) of this section does not apply to:

18 (a) An application for renewal of a license described in subsection (1) of this section;

19 (b) An application for reissuance of a license described in subsection (1) of this section
20 necessitated by a change in the location or ownership of a production, processing, wholesale
21 or retail facility or premises;

22 (c) An application for a change in size of a mature marijuana plant grow canopy; or

23 (d) The sale or purchase of a license described in subsection (1) of this section issued
24 prior to the operative date specified in section 15 of this 2023 Act.

25 (3) The commission may adopt rules to carry out this section.

26 **SECTION 5.** Section 4 of this 2023 Act does not apply to applications received on or before
27 January 1, 2022.

28 **SECTION 6.** ORS 475C.049 is amended to read:

29 475C.049. (1) **Subject to section 4 of this 2023 Act**, the Oregon Liquor and Cannabis Commis-
30 sion shall approve or deny an application to be licensed under ORS 475C.005 to 475C.525. Except
31 as provided in subsection (2) of this section, upon receiving an application under ORS 475C.033, the
32 commission may not delay processing, approving or denying the application or, if the application is
33 approved, issuing the license.

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

36 (a) The applicant, or a person named on the application, holds a license issued under ORS
37 475C.005 to 475C.525 and the commission has issued a notice proposing revocation of the license for
38 one or more violations of ORS 475C.005 to 475C.525 that are administrative in nature, as determined
39 by the commission, or a notice proposing suspension of the license pursuant to ORS 305.385;

40 (b) The applicant is applying for a license at a premises where the applicant seeks to assume
41 ownership of an existing business for which a license has been issued under ORS 475C.005 to
42 475C.525 and the commission has issued a notice proposing revocation of the license for the existing
43 business or a notice proposing suspension of the license for the existing business pursuant to ORS
44 305.385; or

45 (c) The commission has received information from law enforcement that the applicant or a per-

1 son named on the application is engaging, or has engaged, in the unregulated commerce of
2 marijuana items or unlawful manufacture or delivery of controlled substances.

3 (3) The licenses described in ORS 475C.005 to 475C.525 must be issued by the commission, sub-
4 ject to the provisions of ORS 475C.005 to 475C.525 and rules adopted under ORS 475C.005 to
5 475C.525.

6 (4) The commission may not license a premises that does not have defined boundaries. A prem-
7 ises does not need to be enclosed by a wall, fence or other structure, but the commission may re-
8 quire a premises to be enclosed as a condition of issuing or renewing a license. The commission may
9 not license a mobile premises.

10 **SECTION 7.** ORS 475C.085 is amended to read:

11 475C.085. (1) The processing of marijuana items is subject to regulation by the Oregon Liquor
12 and Cannabis Commission.

13 (2) A marijuana processor must have a processor license issued by the commission for the
14 premises at which marijuana items are processed. To hold a processor license under this section, a
15 marijuana processor:

16 (a) Must apply for a license in the manner described in ORS 475C.033;

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

18 (c) If the marijuana processor processes marijuana extracts or industrial hemp extracts, as de-
19 fined in ORS 571.269, may not be located in an area zoned exclusively for residential use; and

20 (d) Must meet the requirements of any rule adopted by the commission under subsection (3) of
21 this section.

22 (3) The commission shall adopt rules that:

23 (a) Require a marijuana processor to annually renew a license issued under this section;

24 (b) Establish application, licensure and renewal of licensure fees for marijuana processors;

25 (c) Require marijuana processed by a marijuana processor to be tested in accordance with ORS
26 475C.544;

27 (d) Require industrial hemp commodities and products processed by a marijuana processor to
28 meet any requirements for industrial hemp commodities or products established under ORS 571.260
29 to 571.348 or rules adopted under ORS 571.260 to 571.348;

30 (e) Allow a marijuana processor registered under ORS 475C.141 to process marijuana and usable
31 marijuana into medical grade cannabinoid products, cannabinoid concentrates and cannabinoid ex-
32 tracts in the same manner that rules adopted under ORS 475C.005 to 475C.525 allow a marijuana
33 processor to process marijuana and usable marijuana into general use cannabinoid products,
34 cannabinoid concentrates and cannabinoid extracts, *[excepting those circumstances where]* **except**
35 **when** differentiating between the processing of medical grade cannabinoid products, cannabinoid
36 concentrates and cannabinoid extracts and the processing of general use cannabinoid products,
37 cannabinoid concentrates and cannabinoid extracts is necessary to protect the public health and
38 safety; *[and]*

39 **(f) Allow a marijuana processor registered under ORS 475C.141 to provide, subject to ORS**
40 **475C.141, usable marijuana and medical grade cannabinoid products, cannabinoid concen-**
41 **trates and cannabinoid extracts to a registry identification cardholder and the designated**
42 **primary caregiver of a registry identification cardholder;**

43 *[(f)]* (g) Require a marijuana processor to meet any public health and safety standards and in-
44 dustry best practices established by the commission by rule related to:

45 (A) Cannabinoid edibles;

1 (B) Cannabinoid concentrates;

2 (C) Cannabinoid extracts; and

3 (D) Any other type of cannabinoid product or industrial hemp commodity or product identified
4 by the commission by rule[.]; **and**

5 **(h) Allow a marijuana processor to use a facility located on a premises for which a li-**
6 **cence is issued under this section for the purpose of making products that do not contain**
7 **cannabinoids.**

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

9 (a) May not exceed, together with other fees collected under ORS 475C.005 to 475C.525, the cost
10 of administering ORS 475C.005 to 475C.525; and

11 (b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS
12 475C.297.

13 **SECTION 8.** ORS 475C.141 is amended to read:

14 475C.141. (1) To process marijuana for medical purposes, a marijuana processor that holds a li-
15 cense issued under ORS 475C.085 must register with the Oregon Liquor and Cannabis Commission
16 under this section.

17 (2) The commission shall register a marijuana processor for the purpose of processing marijuana
18 for medical purposes if the marijuana processor:

19 (a) Holds a license issued under ORS 475C.085;

20 (b) Meets any qualifications adopted by the commission by rule;

21 (c) Applies to the commission in a form and manner prescribed by the commission; and

22 (d) Pays any fee adopted by the commission by rule.

23 (3) A marijuana processor registered under this section may:

24 (a) Process marijuana and usable marijuana into medical grade cannabinoid products,
25 cannabinoid concentrates and cannabinoid extracts; *[and]*

26 (b) Notwithstanding ORS 475C.205, receive marijuana and usable marijuana from, and for a fee
27 process that marijuana and usable marijuana into cannabinoid products, cannabinoid concentrates
28 and cannabinoid extracts for, a registry identification cardholder or the designated primary
29 caregiver of a registry identification cardholder, provided that the cannabinoid products,
30 cannabinoid concentrates and cannabinoid extracts meet the requirements of ORS 475C.540 to
31 475C.586 and the concentration standards adopted under ORS 475C.620[.]; **and**

32 **(c) Provide, for no consideration, usable marijuana and medical grade cannabinoid pro-**
33 **ducts, cannabinoid concentrates and cannabinoid extracts to a registry identification**
34 **cardholder and the designated primary caregiver of a registry identification cardholder.**

35 (4)(a) The commission shall adopt rules necessary to administer this section.

36 (b) The rules must provide that any fee adopted by the commission under subsection (2)(d) of this
37 section be in an amount reasonably calculated to not exceed, together with other fees collected
38 under ORS 475C.005 to 475C.525, the cost of administering ORS 475C.005 to 475C.525.

39 **SECTION 9.** ORS 475C.217 is amended to read:

40 475C.217. (1) Subject to subsection [(2)] (3) of this section **and except as provided pursuant**
41 **to subsection (2) of this section**, a licensee or licensee representative, before selling or providing
42 a marijuana item to another person, must require the person to produce one of the following pieces
43 of identification:

44 (a) The person's passport, issued by the United States or a foreign government.

45 (b) The person's driver license, issued by the State of Oregon or another state of the United

1 States.

2 (c) An identification card issued under ORS 807.400.

3 (d) A United States military identification card.

4 (e) An identification card issued by a federally recognized Indian tribe.

5 (f) Any other identification card issued by a state or territory of the United States that bears
6 a picture of the person, the name of the person, the person's date of birth and a physical description
7 of the person.

8 (g) The person's proof of participation in the United States Customs and Border Protection Se-
9 cure Electronic Network for Travelers Rapid Inspection program or NEXUS program, or successor
10 programs.

11 **(2)(a) The Oregon Liquor and Cannabis Commission may adopt rules to allow a licensee**
12 **or licensee representative to use an age verification scanner, software, digital identification**
13 **technology, valid and verified digital identification or other electronic technology instead of**
14 **performing a visual inspection of a piece of identification described in subsection (1) of this**
15 **section to verify the age of a person before selling or providing a marijuana item to the**
16 **person.**

17 **(b) Information obtained under this subsection may be used and retained, pursuant to**
18 **rules adopted by the commission, for the purposes of verifying a person's age and as needed**
19 **by the commission to ensure the licensee's compliance with the provisions of ORS 475C.005**
20 **to 475C.525 and rules adopted pursuant to ORS 475C.005 to 475C.525.**

21 [(2)] **(3)** The [*Oregon Liquor and Cannabis*] commission may adopt rules exempting a licensee or
22 licensee representative from this section.

23 **SECTION 10.** ORS 475C.229 is amended to read:

24 475C.229. (1) For purposes of this section:

25 (a) "Export" includes placing a marijuana item in any mode of transportation for hire, such as
26 luggage, mail or parcel delivery, even if the transportation of the marijuana item is intercepted prior
27 to the marijuana item leaving this state.

28 (b) "Marijuana item" includes an industrial hemp commodity or product that exceeds the greater
29 of:

30 (A) A concentration of 0.3 percent total delta-9-tetrahydrocannabinol; or

31 (B) The concentration of total delta-9-tetrahydrocannabinol allowed under federal law.

32 (2) A person may not import marijuana items into this state or export marijuana items from this
33 state.

34 (3) A violation of this section is a Class B violation, except:

35 (a) As provided in subsection (4) of this section; or

36 (b) If the item is industrial hemp and does not exceed a total delta-9-tetrahydrocannabinol con-
37 centration of one percent.

38 (4) A violation of this section is a:

39 (a) Class A misdemeanor, if the importation or exportation:

40 (A) Is not for consideration and the person holds a license issued under ORS 475C.065, 475C.085,
41 475C.093 or 475C.097; or

42 (B) Concerns an amount of marijuana items that exceeds the applicable maximum amount spec-
43 ified in ORS 475C.337 (1)(a) to [(f)] **(g)**.

44 (b) Class C felony, if the importation or exportation:

45 (A) Is for consideration and the person holds a license issued under ORS 475C.065, 475C.085,

1 475C.093 or 475C.097;

2 (B) Concerns an amount of marijuana items that exceeds 16 times the applicable maximum
3 amount specified in ORS 475C.337 (1)(a) to [(f)] (g); or

4 (C) Concerns a cannabinoid extract that was not purchased from a marijuana retailer that holds
5 a license issued under ORS 475C.097.

6 **SECTION 11.** ORS 475C.337 is amended to read:

7 475C.337. (1) Except for licensees and licensee representatives acting in accordance with ORS
8 475C.005 to 475C.525 and any rule adopted under ORS 475C.005 to 475C.525, it is unlawful for any
9 person 21 years of age or older to possess, knowingly or intentionally:

10 (a) An amount of plants in the genus Cannabis within the plant family Cannabaceae in excess
11 of the amount allowed under ORS 475C.305 (1).

12 (b) More than two ounces of usable marijuana in a public place.

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

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

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

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

17 **(g) Notwithstanding paragraphs (d) and (e) of this subsection, cannabinoid edibles that**
18 **contain more than 10 grams of adult use cannabinoid.**

19 [(g)] (h) A cannabinoid extract that was not purchased from a marijuana retailer that holds a
20 license issued under ORS 475C.097.

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

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

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

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

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

29 (A) More than 16 times the applicable maximum amount specified in subsection (1)(a), (c), (d),
30 (e) [or], (f) **or (g)** of this section;

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

32 (C) More than one-quarter ounce of cannabinoid extract that was not purchased from a
33 marijuana retailer that holds a license issued under ORS 475C.097.

34 **SECTION 12.** ORS 475C.341 is amended to read:

35 475C.341. (1) Except for licensees and licensee representatives acting in accordance with ORS
36 475C.005 to 475C.525 and any rule adopted under ORS 475C.005 to 475C.525, it is unlawful for any
37 person under 21 years of age to possess, knowingly or intentionally:

38 (a) An amount of plants in the genus Cannabis within the plant family Cannabaceae in excess
39 of the amount allowed under ORS 475C.305 (1).

40 (b) More than two ounces of usable marijuana in a public place.

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

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

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

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

45 **(g) Notwithstanding paragraphs (d) and (e) of this subsection, cannabinoid edibles that**

1 **contain more than 10 grams of adult use cannabinoid.**

2 [(g)] (h) A cannabinoid extract that was not purchased from a marijuana retailer that holds a
3 license under ORS 475C.097.

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

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

8 (a) More than 16 times the applicable maximum amount specified in subsection (1)(a), (c), (d), (e)
9 [or], (f) **or** (g) of this section;

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

11 (c) More than one-quarter ounce of cannabinoid extract that was not purchased from a
12 marijuana retailer that holds a license issued under ORS 475C.097.

13 **SECTION 13.** ORS 475C.345 is amended to read:

14 475C.345. (1) Except for licensees and licensee representatives acting in accordance with ORS
15 475C.005 to 475C.525 and any rule adopted under ORS 475C.005 to 475C.525, and except for a person
16 acting within the scope of and in compliance with ORS 475C.305, it is unlawful for any person to
17 deliver a marijuana item.

18 (2) Except as provided in subsection (3) of this section, unlawful delivery of a marijuana item
19 is a Class A misdemeanor.

20 (3) Unlawful delivery of a marijuana item is:

21 (a) A Class B misdemeanor, if a person 21 years of age or older unlawfully delivers usable
22 marijuana, for no consideration, to a person 21 years of age or older, and the total amount of usable
23 marijuana delivered is not more than twice the amount described in ORS 475C.305 (7).

24 (b) A Class C felony, if:

25 (A) The delivery involves:

26 (i) More than 16 times the applicable maximum amount specified in ORS 475C.337 (1)(a), (c), (d),
27 (e) [or], (f) **or** (g);

28 (ii) More than eight pounds of usable marijuana in a public place; or

29 (iii) More than one-quarter ounce of cannabinoid extract that was not purchased from a
30 marijuana retailer that holds a license issued under ORS 475C.097.

31 (B) The marijuana item is delivered to a person under 21 years of age, unless the person deliv-
32 ering the marijuana item is under 24 years of age at the time of the delivery and delivers not more
33 than one ounce of usable marijuana, for no consideration, to a person who is 16 years of age or
34 older.

35 **SECTION 14.** ORS 475C.349 is amended to read:

36 475C.349. (1) Except for licensees and licensee representatives acting in accordance with ORS
37 475C.005 to 475C.525 and any rule adopted under ORS 475C.005 to 475C.525, and except for a person
38 acting within the scope of and in compliance with ORS 475C.305, it is unlawful for any person to
39 manufacture a marijuana item.

40 (2) Except as provided in subsection (3) of this section, unlawful manufacture of a marijuana
41 item is a Class A misdemeanor.

42 (3) Unlawful manufacture of a marijuana item is:

43 (a) A Class B misdemeanor, if a person 21 years of age or older unlawfully manufactures
44 homegrown marijuana at a household and the total number of homegrown plants in the genus
45 Cannabis within the plant family Cannabaceae at the household exceeds four plants but does not

1 exceed eight plants.

2 (b) A Class C felony, if:

3 (A) A person unlawfully manufactures marijuana and the total number of plants in the genus
4 Cannabis within the plant family Cannabaceae exceeds 12 plants; or

5 (B) A person unlawfully manufactures a cannabinoid product or a cannabinoid concentrate and
6 the total amount of cannabinoid products or the total amount of cannabinoid concentrates exceeds
7 twice the applicable maximum amount specified in ORS 475C.337 (1)(d), (e) [or], (f) or (g).

8 (c) A Class B felony, if a person unlawfully manufactures a cannabinoid extract.

9 **SECTION 15.** (1) Sections 2 to 4 of this 2023 Act and the amendments to ORS 475C.049,
10 475C.085, 475C.141, 475C.217, 475C.229, 475C.337, 475C.341, 475C.345 and 475C.349 by sections 6
11 to 14 of this 2023 Act become operative on January 1, 2024.

12 (2) The Oregon Liquor and Cannabis Commission may take any action before the opera-
13 tive date specified in subsection (1) of this section that is necessary to enable the commission
14 to exercise, on and after the operative date specified in subsection (1) of this section, all of
15 the duties, functions and powers conferred on the commission by sections 2 to 4 of this 2023
16 Act and the amendments to ORS 475C.049, 475C.085, 475C.141, 475C.217, 475C.229, 475C.337,
17 475C.341, 475C.345 and 475C.349 by sections 6 to 14 of this 2023 Act.

18 **SECTION 16.** This 2023 Act takes effect on the 91st day after the date on which the 2023
19 regular session of the Eighty-second Legislative Assembly adjourns sine die.

20