

House Bill 3295

Sponsored by Representative LIVELY

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 **as introduced**.

Requires person that processes cannabinoid hemp commodity or product to hold marijuana processor license issued by Oregon Liquor and Cannabis Commission. Defines "cannabinoid hemp commodity or product." Requires person that imports cannabinoid hemp commodity or product into this state to obtain distributor certificate from commission and to obtain testing on cannabinoid hemp commodities or products from specified laboratory. Requires individual who performs work related to cannabinoid hemp commodity or product for or on behalf of marijuana licensee to hold permit by commission. Specifies requirements for testing, packaging and labeling cannabinoid hemp commodities or products.

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.009, 475C.017, 475C.021, 475C.025,
3 475C.037, 475C.057, 475C.085, 475C.117, 475C.177, 475C.185, 475C.209, 475C.233, 475C.237,
4 475C.265, 475C.269, 475C.273, 475C.301, 475C.409, 475C.449, 475C.469, 475C.481, 475C.501,
5 475C.513, 475C.540, 475C.544, 475C.548, 475C.560, 475C.582, 475C.590, 475C.600, 475C.604,
6 475C.608, 475C.612, 475C.616, 475C.648, 571.269, 571.294, 571.312, 571.330, 571.336, 571.337 and
7 571.339; and prescribing an effective date.

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

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

11 **SECTION 2. (1)(a) A person may not process cannabinoid hemp commodities or products**
12 **unless the person holds a processor license issued by the Oregon Liquor and Cannabis Com-**
13 **mission under ORS 475C.085.**

14 **(b) A person may not sell, transfer or deliver cannabinoid hemp commodities or products**
15 **to a person other than a consumer unless the person holds a processor license issued under**
16 **ORS 475C.085 or a wholesale license issued under ORS 475C.093.**

17 **(2) A cannabinoid hemp commodity or product must be entered into the tracking system**
18 **described in ORS 475C.177, and tested in accordance with and meet the requirements estab-**
19 **lished under ORS 475C.544.**

20 **(3) Except as provided by the commission by rule, a marijuana processor that holds a li-**
21 **cence issued under ORS 475C.085 or a marijuana wholesaler that holds a license issued under**
22 **ORS 475C.093 may sell, transfer or deliver a cannabinoid hemp commodity or product only**
23 **to:**

24 **(a) A person located outside the state of Oregon;**

25 **(b) A hemp retailer;**

26 **(c) A marijuana processor that holds a license issued under ORS 475C.085;**

27 **(d) A marijuana wholesaler that holds a license issued under ORS 475C.093;**

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 (e) A marijuana retailer that holds a license issued under ORS 475C.097; or

2 (f) A laboratory that holds a license issued under ORS 475C.548.

3 (4) Except as provided in subsection (5) of this section or by the commission by rule, a
4 marijuana processor that holds a license issued under ORS 475C.085 or a marijuana whole-
5 saler that holds a license issued under ORS 475C.093 may receive a cannabinoid hemp com-
6 modity or product only from:

7 (a) A marijuana processor that holds a license issued under ORS 475C.085;

8 (b) A marijuana wholesaler that holds a license issued under ORS 475C.093;

9 (c) A marijuana retailer that holds a license issued under ORS 475C.097;

10 (d) A laboratory that holds a license issued under ORS 475C.548; or

11 (e) A distributor.

12 (5) A marijuana processor that holds a license issued under ORS 475C.085 or a marijuana
13 wholesaler that holds a license issued under ORS 475C.093 may accept the return of a
14 cannabinoid hemp commodity or product from a person to whom the cannabinoid hemp or
15 product was sold, transferred or delivered under subsection (3) of this section.

16 (6) A cannabinoid hemp commodity or product that is sold, transferred or delivered by a
17 marijuana processor that holds a license issued under ORS 475C.085 or a marijuana whole-
18 saler that holds a license issued under ORS 475C.093 must:

19 (a) Comply with the requirements of subsection (2) of this section;

20 (b) Prior to the transfer, sale or transport, be held by the marijuana processor or
21 marijuana wholesaler described in this subsection for the duration of time and in the manner
22 required by the commission by rule; and

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

24 (7)(a) Except as otherwise provided by the commission by rule, a cannabinoid hemp
25 commodity or product may not be imported into this state to a person other than a con-
26 sumer unless the cannabinoid hemp commodity or product is:

27 (A) Received by a marijuana processor that holds a license issued under ORS 475C.085
28 or a marijuana wholesaler that holds a license issued under ORS 475C.093; or

29 (B) Transferred from a distributor and received by a marijuana retailer that holds a li-
30 cense issued under ORS 475C.097 or by a hemp retailer.

31 (b) Paragraph (a) of this subsection does not apply to cannabinoid hemp commodities or
32 products that are transported through this state en route to a final destination in another
33 state.

34 (8)(a) The commission shall make publicly available, on a website operated by or on behalf
35 of the commission, a registry of the cannabinoid hemp commodities or products:

36 (A) Processed by a person described in subsection (1) of this section;

37 (B) Received pursuant to subsection (7) of this section; or

38 (C) Imported into this state directly to a consumer as described in ORS 571.339.

39 (b) The commission may include on the website any additional information regarding
40 cannabinoid hemp commodities or products described in this subsection.

41 (9) The commission shall adopt rules to carry out this section. The rules adopted under
42 this subsection may include, but are not limited to, rules:

43 (a) Regarding information that a person described in subsection (1) of this section shall
44 provide to the commission about a cannabinoid hemp commodity or product processed by the
45 person;

1 (b) Establishing fees for licensure required under this section; and

2 (c) Establishing reciprocity of fees with the State Department of Agriculture for a person
3 described in subsection (1) of this section that also holds a license issued by the department
4 under ORS 571.281.

5 **SECTION 3.** (1) A person may not import into this state a cannabinoid hemp commodity
6 or product unless the person holds a distributor certificate issued under this section.

7 (2) A marijuana processor that holds a license issued under ORS 475C.085, a marijuana
8 wholesaler that holds a license under ORS 475C.093 or a marijuana retailer that holds a li-
9 cense issued under ORS 475C.097 may not import into this state any usable hemp unless the
10 distributor of the usable hemp has been issued a distributor certificate under this section.

11 (3) The Oregon Liquor and Cannabis Commission shall adopt rules to:

12 (a) Establish eligibility requirements for and a process to issue a distributor certificate;

13 (b) Require a distributor to annually apply for renewal of a certificate issued under this
14 section;

15 (c) Establish application, issuance and renewal fees for a certificate under this section;

16 (d) Require a distributor to use the system developed and maintained under ORS 475C.177
17 to track cannabinoid hemp commodities or products that a distributor imports into this
18 state;

19 (e) Require cannabinoid hemp commodities or products that a distributor imports into
20 this state to be:

21 (A) Tested in accordance with and meet the requirements established under ORS
22 475C.544; and

23 (B) Labeled in accordance with ORS 475C.600 to 475C.648; and

24 (f) Require a distributor to meet any public health and safety standards and industry best
25 practices established by the commission by rule.

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

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

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

31 **SECTION 4.** (1) A distributor may not submit for testing a cannabinoid hemp commodity
32 or product to a laboratory located outside the state of Oregon unless the laboratory has been
33 issued a laboratory certificate by the Oregon Liquor and Cannabis Commission under this
34 section if the cannabinoid hemp commodity or product is:

35 (a) A cannabinoid hemp commodity or product intended for import into this state; or

36 (b) Usable hemp intended for sale, delivery or transfer to a marijuana processor that
37 holds a license issued under ORS 475C.085, a marijuana wholesaler that holds a license issued
38 under ORS 475C.093 or a marijuana retailer that holds a license issued under ORS 475C.097.

39 (2) The commission shall adopt rules to:

40 (a) Establish eligibility requirements for and a process to issue a laboratory certificate
41 under this section;

42 (b) Require a laboratory described in subsection (1) of this section to annually apply for
43 renewal of a certificate issued under this section;

44 (c) Establish application, issuance and renewal fees for a certificate under this section;

45 (d) Require a laboratory described in subsection (1) of this section to use the system de-

1 **veloped and maintained under ORS 475C.177 to track cannabinoid hemp commodities or pro-**
2 **ducts that a distributor that uses the laboratory imports into this state; and**

3 **(e) Require a laboratory to be accredited to the same or more stringent standards as a**
4 **laboratory that holds a license issued under ORS 475C.548.**

5 **(3) Fees adopted under subsection (2)(c) of this section:**

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

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

10 **SECTION 5.** ORS 475C.009 is amended to read:

11 475C.009. As used in ORS 475C.005 to 475C.525:

12 (1) "Adult use cannabinoid" includes, but is not limited to, tetrahydrocannabinols,
13 tetrahydrocannabinolic acids that are artificially or naturally derived, delta-8-tetrahydrocannabinol,
14 delta-9- tetrahydrocannabinol, the optical isomers of delta-8-tetrahydrocannabinol or
15 delta-9-tetrahydrocannabinol and any artificially derived cannabinoid that is reasonably determined
16 to have an intoxicating effect.

17 (2) "Adult use cannabis item" means:

18 (a) A marijuana item; or

19 (b) An industrial hemp commodity or product that exceeds:

20 (A) The concentration of adult use cannabinoids established by the Oregon Liquor and Cannabis
21 Commission, in consultation with the Oregon Health Authority and the State Department of Agri-
22 culture, by rule; or

23 (B) The greater of:

24 (i) A concentration of more than 0.3 percent total delta-9-tetrahydrocannabinol; or

25 (ii) The concentration of total delta-9-tetrahydrocannabinol allowed under federal law.

26 (3)(a) "Artificially derived cannabinoid" means a chemical substance that is created by a chem-
27 ical reaction that changes the molecular structure of any chemical substance derived from the plant
28 Cannabis family Cannabaceae.

29 (b) "Artificially derived cannabinoid" does not include:

30 (A) A naturally occurring chemical substance that is separated from the plant Cannabis family
31 Cannabaceae by a chemical or mechanical extraction process;

32 (B) Cannabinoids that are produced by decarboxylation from a naturally occurring cannabinoid
33 acid without the use of a chemical catalyst; or

34 (C) Any other chemical substance identified by the commission, in consultation with the au-
35 thority and the department, by rule.

36 (4) "Cannabinoid" means any of the chemical compounds that are the active constituents derived
37 from marijuana.

38 (5) "Cannabinoid concentrate" means a substance obtained by separating cannabinoids from
39 marijuana by:

40 (a) A mechanical extraction process;

41 (b) A chemical extraction process using a nonhydrocarbon-based solvent, such as water, vege-
42 table glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;

43 (c) A chemical extraction process using carbon dioxide, provided that the process does not in-
44 involve the use of high heat or pressure; or

45 (d) Any other process identified by the commission, in consultation with the authority, by rule.

1 (6) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate,
2 cannabinoid extract or dried marijuana leaves or flowers have been incorporated.

3 (7) “Cannabinoid extract” means a substance obtained by separating cannabinoids from
4 marijuana by:

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

7 (b) A chemical extraction process using carbon dioxide, if the process uses high heat or pres-
8 sure; or

9 (c) Any other process identified by the commission, in consultation with the authority, by rule.

10 **(8)(a) “Cannabinoid hemp commodity or product” means industrial hemp concentrates,**
11 **industrial hemp extracts and any other industrial hemp item that contains cannabinoids.**

12 **(b) “Cannabinoid hemp commodity or product” does not include:**

13 **(A) Industrial hemp processed through retting or other manner of processing so that the**
14 **industrial hemp is suitable fiber for textiles, rope, paper, hempcrete or other building or fiber**
15 **materials;**

16 **(B) Industrial hemp processed in a manner that renders the industrial hemp seed inca-**
17 **pable of germination and suitable for human consumption;**

18 **(C) Industrial hemp seed processed into oil; or**

19 **(D) Usable hemp.**

20 [(8)(a)] **(9)(a) “Cannabinoid product” means a cannabinoid edible and any other product intended**
21 **for human consumption or use, including a product intended to be applied to the skin or hair, that**
22 **contains cannabinoids or dried marijuana leaves or flowers.**

23 (b) “Cannabinoid product” does not include:

24 (A) Usable marijuana by itself;

25 (B) A cannabinoid concentrate by itself;

26 (C) A cannabinoid extract by itself; or

27 (D) Industrial hemp.

28 [(9)] **(10) “Consumer” means a person who purchases, acquires, owns, holds or uses marijuana**
29 **items or cannabinoid hemp commodities or products other than for the purpose of resale.**

30 [(10)] **(11) “Deliver” means the actual, constructive or attempted transfer from one person to**
31 **another of a marijuana item, whether or not there is an agency relationship.**

32 [(11)] **(12) “Delta-9-tetrahydrocannabinol” or “delta-9-THC” means (6aR,10aR)-6,6,9-**
33 **trimethyl-3-pentyl-6a,7,8,10a-tetrahydro-6H- benzo[c]chromen-1-ol.**

34 [(12)] **(13) “Delta-9-tetrahydrocannabinolic acid” or “delta-9-THCA” means (6aR,10aR)-**
35 **1-hydroxy-6,6,9-trimethyl-3-pentyl-6a,7,8,10a- tetrahydro-6H-benzo[c]chromene-2-carboxylic acid.**

36 [(13)] **(14) “Designated primary caregiver” has the meaning given that term in ORS 475C.777.**

37 **(15) “Distributor” means a person located outside of this state that holds a certificate**
38 **issued under section 3 of this 2023 Act for the purpose of importing usable hemp or**
39 **cannabinoid hemp commodities or products into this state.**

40 [(14)(a)] **(16)(a) “Financial consideration” means value that is given or received either directly**
41 **or indirectly through sales, barter, trade, fees, charges, dues, contributions or donations.**

42 (b) “Financial consideration” does not include marijuana, cannabinoid products or cannabinoid
43 concentrates that are delivered within the scope of and in compliance with ORS 475C.305.

44 **(17)(a) “Hemp retailer” means a person in this state that sells cannabinoid hemp com-**
45 **modities or products to a consumer.**

1 **(b) “Hemp retailer” does not include a marijuana retailer that holds a license issued un-**
 2 **der ORS 475C.097.**

3 [(15)] **(18)** “Homegrown” means grown by a person 21 years of age or older for noncommercial
 4 purposes.

5 [(16)] **(19)** “Household” means a housing unit and any place in or around a housing unit at which
 6 the occupants of the housing unit are producing, processing, possessing or storing homegrown
 7 marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

8 [(17)] **(20)** “Housing unit” means a house, an apartment or a mobile home, or a group of rooms
 9 or a single room that is occupied as separate living quarters, in which the occupants live and eat
 10 separately from any other persons in the building and that has direct access from the outside of the
 11 building or through a common hall.

12 [(18)] **(21)** “Immature marijuana plant” means a marijuana plant that is not flowering.

13 [(19)] **(22)** “Industrial hemp” has the meaning given that term in ORS 571.269.

14 [(20)] **(23)** “Licensee” means a person that holds a license issued under ORS 475C.065, 475C.085,
 15 475C.093 or 475C.097.

16 [(21)] **(24)** “Licensee representative” means an owner, director, officer, manager, employee, agent
 17 or other representative of a licensee, to the extent that the person acts in a representative capacity.

18 [(22)(a)] **(25)(a)** “Manufacture” means producing, propagating, preparing, compounding, convert-
 19 ing or processing a marijuana item, either directly or indirectly, by extracting from substances of
 20 natural origin.

21 (b) “Manufacture” includes any packaging or repackaging of a marijuana item or the labeling
 22 or relabeling of a container containing a marijuana item.

23 [(23)(a)] **(26)(a)** “Marijuana” means the plant Cannabis family Cannabaceae, any part of the
 24 plant Cannabis family Cannabaceae and marijuana seeds.

25 (b) “Marijuana” does not include:

26 (A) Industrial hemp; or

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

30 [(24)] **(27)** “Marijuana flowers” means the flowers of the plant genus Cannabis within the plant
 31 family Cannabaceae.

32 [(25)] **(28)** “Marijuana items” means marijuana, cannabinoid products, cannabinoid concentrates
 33 and cannabinoid extracts.

34 [(26)] **(29)** “Marijuana leaves” means the leaves of the plant genus Cannabis within the plant
 35 family Cannabaceae.

36 [(27)] **(30)** “Marijuana processor” means:

37 (a) A person that processes marijuana items in this state; or

38 (b) A person that holds a license issued under ORS 475C.085 and processes industrial hemp
 39 commodities or products pursuant to ORS 571.336 **or cannabinoid hemp commodities or products**
 40 **pursuant to section 2 of this 2023 Act.**

41 [(28)] **(31)** “Marijuana producer” means a person that produces marijuana in this state.

42 [(29)] **(32)** “Marijuana retailer” means a person that sells marijuana items to a consumer in this
 43 state.

44 [(30)(a)] **(33)(a)** “Marijuana seeds” means the seeds of the plant Cannabis family Cannabaceae.

45 (b) “Marijuana seeds” does not include the seeds of industrial hemp.

1 [(31)] **(34)** “Marijuana wholesaler” means a person that purchases marijuana items in this state
 2 for resale to a person other than a consumer.

3 [(32)] **(35)** “Mature marijuana plant” means a marijuana plant that is not an immature marijuana
 4 plant.

5 [(33)] **(36)** “Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid
 6 extract” means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a
 7 concentration of adult use cannabinoids that is permitted under ORS 475C.620 in a single serving
 8 of the cannabinoid product, cannabinoid concentrate or cannabinoid extract for consumers who hold
 9 a valid registry identification card issued under ORS 475C.783.

10 [(34)] **(37)** “Medical purpose” means a purpose related to using usable marijuana, cannabinoid
 11 products, cannabinoid concentrates or cannabinoid extracts to mitigate the symptoms or effects of
 12 a debilitating medical condition, as defined in ORS 475C.777.

13 [(35)] **(38)** “Noncommercial” means not dependent or conditioned upon the provision or receipt
 14 of financial consideration.

15 [(36)(a)] **(39)(a)** “Premises” includes the following areas of a location licensed under ORS
 16 475C.005 to 475C.525:

17 (A) All public and private enclosed areas at the location that are used in the business operated
 18 at the location, including offices, kitchens, rest rooms and storerooms;

19 (B) All areas outside a building that the commission has specifically licensed for the processing,
 20 wholesale sale or retail sale of marijuana items; and

21 (C) For a location that the commission has specifically licensed for the production of marijuana
 22 outside a building, that portion of the location used to produce marijuana.

23 (b) “Premises” does not include a primary residence.

24 [(37)(a)] **(40)(a)** “Processes” means the processing, compounding or conversion of:

25 (A) Marijuana into cannabinoid products, cannabinoid concentrates or cannabinoid extracts;
 26 [or]

27 (B) Pursuant to ORS 571.336, industrial hemp or industrial hemp commodities or products into
 28 industrial hemp commodities or products [*that contain cannabinoids and are*] intended for human
 29 consumption [*or use.*]; **or**

30 **(C) Cannabinoid hemp commodities or products.**

31 (b) “Processes” does not include packaging or labeling.

32 [(38)(a)] **(41)(a)** “Produces” means the manufacture, planting, cultivation, growing or harvesting
 33 of marijuana.

34 (b) “Produces” does not include:

35 (A) The drying of marijuana by a marijuana processor, if the marijuana processor is not other-
 36 wise producing marijuana; or

37 (B) The cultivation and growing of an immature marijuana plant by a marijuana processor,
 38 marijuana wholesaler or marijuana retailer if the marijuana processor, marijuana wholesaler or
 39 marijuana retailer purchased or otherwise received the plant from a licensed marijuana producer.

40 [(39)] **(42)** “Propagate” means to grow immature marijuana plants or to breed or produce
 41 marijuana seeds.

42 [(40)] **(43)** “Public place” means a place to which the general public has access and includes,
 43 but is not limited to, hallways, lobbies and other parts of apartment houses and hotels not consti-
 44 tuting rooms or apartments designed for actual residence, and highways, streets, schools, places of
 45 amusement, parks, playgrounds and areas used in connection with public passenger transportation.

1 [(41)] (44) “Registry identification cardholder” has the meaning given that term in ORS 475C.777.

2 [(42)] (45) “Total delta-9-tetrahydrocannabinol” or “total delta-9-THC” means the sum of the
 3 concentration or mass of delta-9-THCA multiplied by 0.877 plus the concentration or mass of
 4 delta-9-THC.

5 (46) “Usable hemp” means flowers or leaves of industrial hemp intended for human con-
 6 sumption that:

7 (a) Are not industrial hemp concentrate or industrial hemp extract, as defined in ORS
 8 571.269; and

9 (b) Other than pre-rolled usable hemp that contains an unflavored rolling paper and filter
 10 or tip, do not contain any added substances.

11 [(43)(a)] (47)(a) “Usable marijuana” means the dried leaves and flowers of marijuana.

12 (b) “Usable marijuana” does not include:

13 (A) Marijuana seeds;

14 (B) The stalks and roots of marijuana; or

15 (C) Waste material that is a by-product of producing or processing marijuana.

16 **SECTION 6.** ORS 475C.017 is amended to read:

17 475C.017. (1) The Oregon Liquor and Cannabis Commission has the duties, functions and powers
 18 specified in ORS 475C.005 to 475C.525 and the powers necessary or proper to enable the commission
 19 to carry out the commission’s duties, functions and powers under ORS 475C.005 to 475C.525. The
 20 jurisdiction, supervision, duties, functions and powers of the commission extend to any person that
 21 produces, processes, transports, delivers, sells or purchases a marijuana item **or a cannabinoid**
 22 **hemp commodity or product** in this state. The commission may sue and be sued.

23 (2) The duties, functions and powers of the commission specified in ORS 475C.005 to 475C.525
 24 include the following:

25 (a) To regulate the production, processing, transportation, delivery, sale and purchase of
 26 marijuana items **and cannabinoid hemp commodities or products** in accordance with the pro-
 27 visions of ORS 475C.005 to 475C.525.

28 (b) To issue, renew, suspend, revoke or refuse to issue or renew licenses for the production,
 29 processing or sale of marijuana items **and cannabinoid hemp commodities or products**, or other
 30 licenses related to the consumption of marijuana items, and to permit, in the commission’s dis-
 31 cretion, the transfer of a license between persons.

32 (c) To adopt, amend or repeal rules as necessary to carry out the intent and provisions of ORS
 33 475C.005 to 475C.525, including rules that the commission considers necessary to protect the public
 34 health and safety.

35 (d) To exercise all powers incidental, convenient or necessary to enable the commission to ad-
 36 minister or carry out the provisions of ORS 475C.005 to 475C.525 or any other law of this state that
 37 charges the commission with a duty, function or power related to marijuana **and cannabinoid hemp**
 38 **commodities or products**. Powers described in this paragraph include, but are not limited to:

39 (A) Issuing subpoenas;

40 (B) Compelling the attendance of witnesses;

41 (C) Administering oaths;

42 (D) Certifying official acts;

43 (E) Taking depositions as provided by law;

44 (F) Compelling the production of books, payrolls, accounts, papers, records, documents and tes-
 45 timony; and

1 (G) Establishing fees in addition to the application, licensing and renewal fees described in ORS
 2 475C.065, 475C.085, 475C.093 and 475C.097, provided that any fee established by the commission is
 3 reasonably calculated not to exceed the cost of the activity for which the fee is charged.

4 (e) To adopt rules regulating and prohibiting advertising marijuana items **and cannabinoid**
 5 **hemp commodities or products** in a manner:

6 (A) That is appealing to minors;

7 (B) That promotes excessive use;

8 (C) That promotes illegal activity; or

9 (D) That otherwise presents a significant risk to public health and safety.

10 (f) To regulate the use of marijuana items for other purposes as deemed necessary or appropri-
 11 ate by the commission.

12 (g) To establish pilot programs, of not more than three years in duration, to expand access to
 13 marijuana for medical use for registry identification cardholders and designated primary caregivers,
 14 as defined in ORS 475C.777.

15 (h) To regulate the processing, transportation, delivery, sale and purchase of artificially derived
 16 cannabinoids in accordance with the provisions of ORS 475C.005 to 475C.525.

17 (i) To regulate the **tracking**, testing [*and*], labeling **and packaging** of [*inhalant delivery systems,*
 18 *as defined in ORS 431A.175, that include industrial hemp-derived vapor items, as defined in ORS*
 19 *475C.540,*] **cannabinoid hemp commodities or products** that are sold in this state by any person.

20 (3) Fees collected pursuant to subsection (2)(d)(G) of this section shall be deposited in the
 21 Marijuana Control and Regulation Fund established under ORS 475C.297.

22 **SECTION 7.** ORS 475C.021 is amended to read:

23 475C.021. Subject to any applicable provision of ORS chapter 183, the Oregon Liquor and
 24 Cannabis Commission may purchase, possess, seize, transfer to a licensee or dispose of marijuana
 25 items **and cannabinoid hemp commodities or products** as is necessary for the commission to en-
 26 sure compliance with and enforce the provisions of ORS 475C.005 to 475C.525 and any rule adopted
 27 under ORS 475C.005 to 475C.525.

28 **SECTION 8.** ORS 475C.025 is amended to read:

29 475C.025. The Oregon Liquor and Cannabis Commission may, by rule or order, provide for the
 30 manner and conditions under which:

31 (1) Marijuana items **and cannabinoid hemp commodities or products** left by a deceased, in-
 32 solvent or bankrupt person or licensee, or subject to a security interest, may be foreclosed, sold
 33 under execution or otherwise disposed.

34 (2) The business of a deceased, insolvent or bankrupt licensee may be operated for a reasonable
 35 period following the death, insolvency or bankruptcy.

36 (3) A secured party, as defined in ORS 79.0102, may continue to operate at a premises for which
 37 a license has been issued under ORS 475C.005 to 475C.525 for a reasonable period after default on
 38 the indebtedness by the debtor.

39 **SECTION 9.** ORS 475C.037 is amended to read:

40 475C.037. (1) The Oregon Liquor and Cannabis Commission may not license an applicant under
 41 the provisions of ORS 475C.005 to 475C.525 or 475C.548 if the applicant is under 21 years of age.

42 (2) The commission may refuse to issue a license or may issue a restricted license to an appli-
 43 cant under the provisions of ORS 475C.005 to 475C.525 if the commission makes a finding that the
 44 applicant:

45 (a) Is in the habit of using alcoholic beverages, habit-forming drugs, marijuana or controlled

1 substances to excess.

2 (b) Has made false statements to the commission.

3 (c) Is incompetent or physically unable to carry on the management of the establishment pro-
4 posed to be licensed.

5 (d) Has been convicted of violating a federal law, state law or local ordinance if the conviction
6 is substantially related to the fitness and ability of the applicant to lawfully carry out activities
7 under the license.

8 (e) Is not of good repute and moral character.

9 (f) Does not have a good record of compliance with ORS 475C.005 to 475C.525 or any rule
10 adopted under ORS 475C.005 to 475C.525.

11 (g) Is not the legitimate owner of the premises proposed to be licensed, or has not disclosed that
12 other persons have ownership interests in the premises proposed to be licensed.

13 (h) Has not demonstrated financial responsibility sufficient to adequately meet the requirements
14 of the premises proposed to be licensed.

15 (i) Is unable to understand the laws of this state relating to marijuana items **and cannabinoid**
16 **hemp commodities or products** or the rules adopted under ORS 475C.005 to 475C.525.

17 (3) Notwithstanding subsection (2)(d) of this section, in determining whether to issue a license
18 or a restricted license to an applicant, the commission may not consider the prior conviction of the
19 applicant or any owner, director, officer, manager, employee, agent or other representative of the
20 applicant for:

21 (a) The manufacture of marijuana, if:

22 (A) The date of the conviction is two or more years before the date of the application; and

23 (B) The person has not been convicted more than once for the manufacture or delivery of
24 marijuana;

25 (b) The delivery of marijuana to a person 21 years of age or older, if:

26 (A) The date of the conviction is two or more years before the date of the application; and

27 (B) The person has not been convicted more than once for the manufacture or delivery of
28 marijuana; or

29 (c) The possession of marijuana.

30 **SECTION 10.** ORS 475C.057 is amended to read:

31 475C.057. Licensees and licensee representatives may produce, deliver and possess marijuana
32 items **and cannabinoid hemp commodities or products** subject to the provisions of ORS 475C.005
33 to 475C.525 and rules adopted under ORS 475C.005 to 475C.525. The production, delivery or pos-
34 session of marijuana items **or cannabinoid hemp commodities or products** by a licensee or a
35 licensee representative in compliance with ORS 475C.005 to 475C.525 and rules adopted under ORS
36 475C.005 to 475C.525 does not constitute a criminal or civil offense under the laws of this state.

37 **SECTION 11.** ORS 475C.085 is amended to read:

38 475C.085. (1) The processing of marijuana items **and cannabinoid hemp commodities or pro-**
39 **ducts** is subject to regulation by the Oregon Liquor and Cannabis Commission.

40 (2) A marijuana processor must have a processor license issued by the commission for the
41 premises at which marijuana items **or cannabinoid hemp commodities or products** are processed.
42 To hold a processor license under this section, a marijuana processor:

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

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

45 (c) If the marijuana processor processes marijuana extracts or industrial hemp extracts, as de-

1 fined in ORS 571.269, may not be located in an area zoned exclusively for residential use; and

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

4 (3) The commission shall adopt rules that:

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

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

7 (c) Require marijuana processed by a marijuana processor to be tested in accordance with ORS
 8 475C.544;

9 (d)(A) **Require cannabinoid hemp commodities or products to be tested in accordance with**
 10 **ORS 475C.544; and**

11 (B) Require industrial hemp commodities and products **that are not intended for human**
 12 **consumption**, processed by a marijuana processor, to meet any requirements for industrial hemp
 13 commodities or products **not intended for human consumption** established under ORS 571.260 to
 14 571.348 or rules adopted under ORS 571.260 to 571.348;

15 (e) Allow a marijuana processor registered under ORS 475C.141 to process marijuana and usable
 16 marijuana into medical grade cannabinoid products, cannabinoid concentrates and cannabinoid ex-
 17 tracts in the same manner that rules adopted under ORS 475C.005 to 475C.525 allow a marijuana
 18 processor to process marijuana and usable marijuana into general use cannabinoid products,
 19 cannabinoid concentrates and cannabinoid extracts, [*excepting those circumstances where*] **except**
 20 **when** differentiating between the processing of medical grade cannabinoid products, cannabinoid
 21 concentrates and cannabinoid extracts and the processing of general use cannabinoid products,
 22 cannabinoid concentrates and cannabinoid extracts is necessary to protect the public health and
 23 safety; and

24 (f) Require a marijuana processor to meet any public health and safety standards and industry
 25 best practices established by the commission by rule related to:

26 (A) Cannabinoid edibles;

27 (B) Cannabinoid concentrates;

28 (C) Cannabinoid extracts; [*and*]

29 (D) **Cannabinoid hemp commodities or products; and**

30 [*D*] (E) Any other type of cannabinoid product or industrial hemp commodity or product iden-
 31 tified by the commission by rule.

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

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

35 (b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS
 36 475C.297.

37 **SECTION 12.** ORS 475C.117 is amended to read:

38 475C.117. (1) A marijuana retailer that holds a license issued under ORS 475C.097 may make
 39 deliveries to a consumer pursuant to the consumer's bona fide order received by the marijuana
 40 retailer. The delivery of marijuana items **and cannabinoid hemp commodities or products** under
 41 this section may be made to a consumer:

42 (a) Within the same city or unincorporated area of the county in which the marijuana retailer
 43 is located; or

44 (b) In a city or the unincorporated area of a county that is adjacent to the city or
 45 unincorporated area of the county in which the marijuana retailer is located, provided the adjacent

1 city or county has adopted an ordinance allowing for the delivery of marijuana items **and**
 2 **cannabinoid hemp commodities or products** by a marijuana retailer located in an adjacent city
 3 or unincorporated area of a county.

4 (2) A marijuana retailer that makes deliveries under this section shall:

5 (a) Ensure that deliveries are made in an efficient and timely manner.

6 (b) Upon request, provide to the Oregon Liquor and Cannabis Commission information on each
 7 vehicle used to make deliveries of marijuana items **and cannabinoid hemp commodities or pro-**
 8 **ducts** under this section, including the make, model, year, color, vehicle identification number and
 9 registration plate number.

10 (c) Maintain an electronic or physical record of each bona fide order for the delivery of
 11 marijuana items **and cannabinoid hemp commodities or products** that the marijuana retailer
 12 fulfills.

13 (d) Report to the commission, and as necessary to the appropriate law enforcement agency, any
 14 accidents or losses involving a delivery vehicle.

15 (3) An individual who makes deliveries on behalf of a marijuana retailer under this section:

16 (a) Shall:

17 (A) Hold a permit issued under ORS 475C.273 and carry the permit while making deliveries un-
 18 der this section.

19 (B) Have a method of secure electronic communication in order to communicate with the
 20 marijuana retailer for which the individual is making deliveries.

21 (C) Maintain an electronic or physical record of a bona fide order for a delivery of a marijuana
 22 item **or cannabinoid hemp commodity or product**.

23 (D) Present to the consumer a printed or electronic delivery manifest and obtain on the manifest
 24 the consumer's written or electronic signature verifying completion of the delivery of marijuana
 25 items **or cannabinoid hemp commodities or products**.

26 (E) Except in the case of an emergency or unsafe road conditions or as necessary for fuel, rest
 27 or vehicle repair, travel only between the premises of the marijuana retailer and the locations at
 28 which the deliveries of marijuana items **or cannabinoid hemp commodities or products** are made.

29 (b) May not:

30 (A) Leave a delivery vehicle that contains marijuana items **or cannabinoid hemp commodities**
 31 **or products** unattended unless the delivery vehicle is locked and equipped with an active vehicle
 32 alarm system.

33 (B) Carry **in a delivery vehicle at any one time a quantity of marijuana items or**
 34 **cannabinoid hemp commodities or products that combined are worth** more than \$10,000 [*worth*
 35 *of marijuana items in a delivery vehicle at any one time*].

36 (C) Consume, or be under the influence of, marijuana while making deliveries under this section.

37 (4) A delivery vehicle must:

38 (a) While being used for making deliveries, be equipped with an active global positioning system
 39 device that tracks the location of the delivery vehicle and enables the marijuana retailer for which
 40 the deliveries are being made to identify the location of the delivery vehicle.

41 (b) Be equipped with a lockable container in a secured cargo area of the delivery vehicle that
 42 is of a size appropriate to contain the marijuana items **or cannabinoid hemp commodities or**
 43 **products** being delivered.

44 (c) Be free of any markings that may indicate that the delivery vehicle is used for the purpose
 45 of delivering marijuana items **or cannabinoid hemp commodities or products**.

1 (5) A delivery of marijuana items **or cannabinoid hemp commodities or products** may not be
 2 made to a consumer who is located on land owned or leased by the federal government.

3 (6) The commission may adopt rules to carry out the purposes of this section.

4 **SECTION 13.** ORS 475C.177 is amended to read:

5 475C.177. (1) The Oregon Liquor and Cannabis Commission shall develop and maintain a system
 6 for tracking the transfer of marijuana items **and cannabinoid hemp commodities or products**
 7 between premises for which licenses have been issued under ORS 475C.005 to 475C.525.

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

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

12 (b) Preventing persons from substituting or tampering with marijuana items **and cannabinoid**
 13 **hemp commodities or products;**

14 (c) Ensuring an accurate accounting of the production, processing and sale of marijuana items
 15 **and cannabinoid hemp commodities or products;**

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

17 (e) Ensuring compliance with ORS 475C.005 to 475C.525, rules adopted under ORS 475C.005 to
 18 475C.525 and any other law of this state that charges the commission with a duty, function or power
 19 related to marijuana.

20 (3) The system developed and maintained under this section must be capable of tracking, at a
 21 minimum:

22 (a) The propagation of immature marijuana plants and the production of marijuana by a
 23 marijuana producer;

24 (b) The processing of marijuana by a marijuana processor **and the processing of cannabinoid**
 25 **hemp commodities or products by a marijuana processor;**

26 (c) The receiving, storing and delivering of marijuana items **and cannabinoid hemp commod-**
 27 **ities or products** by a marijuana wholesaler;

28 (d) The sale of marijuana items **and cannabinoid hemp commodities or products** by a
 29 marijuana retailer to a consumer;

30 (e) The sale and purchase of marijuana items **and cannabinoid hemp commodities or products**
 31 between licensees, as permitted by ORS 475C.005 to 475C.525;

32 (f) The transfer of marijuana items **and cannabinoid hemp commodities or products** between
 33 premises for which licenses have been issued under ORS 475C.005 to 475C.525; and

34 (g) Any other information that the commission determines is reasonably necessary to accomplish
 35 the duties, functions and powers of the commission under ORS 475C.005 to 475C.525, **including in-**
 36 **formation related to cannabinoid hemp commodities or products.**

37 **SECTION 14.** ORS 475C.185 is amended to read:

38 475C.185. (1) The Legislative Assembly finds and declares that the unregulated commerce of
 39 marijuana items **or cannabinoid hemp commodities or products** constitutes a serious danger to
 40 public health and safety.

41 (2)(a) A person may not produce, process, transport, deliver or sell a marijuana item unless the
 42 person holds a valid license issued under ORS 475C.005 to 475C.525 or a registration issued under
 43 ORS 475C.770 to 475C.919 or is exempted under ORS 475C.305.

44 **(b) A person may not process cannabinoid hemp commodities or products unless the**
 45 **person holds a valid license issued under ORS 475C.085.**

1 [(b)] (c) A licensee is engaged in the unregulated commerce of marijuana items **or cannabinoid**
 2 **hemp commodities or products** if the licensee allows a person who does not hold a license issued
 3 under ORS 475C.005 to 475C.525 or 475C.548 to engage in an activity that requires a license issued
 4 under ORS 475C.005 to 475C.525 or 475C.548.

5 (3) In addition to any other disciplinary action available to the Oregon Liquor and Cannabis
 6 Commission under ORS 475C.005 to 475C.525 or 475C.540 to 475C.586, the commission may imme-
 7 diately:

8 (a) Restrict, suspend or refuse to renew a license issued under ORS 475C.005 to 475C.525 or
 9 475C.548 if circumstances create probable cause for the commission to conclude that a licensee has:

10 (A) Purchased or received a marijuana item from an unlicensed source; [or]

11 (B) Sold, stored or transferred a marijuana item in a manner that is not permitted by the
 12 licensee’s license; **or**

13 (C) **Processed cannabinoid hemp commodities or products without a valid license issued**
 14 **under ORS 475C.085;**

15 (b) Restrict, suspend or refuse to renew a license issued under ORS 475C.005 to 475C.525 or
 16 475C.548 if circumstances create probable cause for the commission to believe that a person who
 17 does not hold a license issued under ORS 475C.005 to 475C.525 or 475C.548 for the licensed premises
 18 engaged, or is engaging, in an activity that requires a license under ORS 475C.005 to 475C.525 or
 19 475C.548; or

20 (c) Seize marijuana items **or cannabinoid hemp commodities or products** from a licensee if
 21 circumstances create probable cause for the commission to conclude that the licensee has:

22 (A) Engaged, or is engaging, in the unlawful diversion of marijuana items; or

23 (B) Allowed, or is allowing, a person who does not hold a license issued under ORS 475C.005 to
 24 475C.525 or 475C.548 to engage in an activity that requires a license issued under ORS 475C.005 to
 25 475C.525 or 475C.548 at the premises for which a license is issued.

26 **SECTION 15.** ORS 475C.209 is amended to read:

27 475C.209. (1) In order to transport marijuana items **or cannabinoid hemp commodities or**
 28 **products**, a licensee must create a manifest that contains the following information:

29 (a) The name of the driver of the transport vehicle;

30 (b) Identifying information for the driver’s permit issued under ORS 475C.273;

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

32 (d) The name of the licensee from which the marijuana [or], marijuana items **or cannabinoid**
 33 **hemp commodities or products** are being transported;

34 (e) A detailed inventory of the marijuana [and], marijuana items **and cannabinoid hemp com-**
 35 **modities or products** being transported;

36 (f) The location of any overnight stop during transportation, and the estimated time of the
 37 overnight stop; and

38 (g) The destination of the marijuana [and], marijuana items **and cannabinoid hemp commod-**
 39 **ities or products** being transported.

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

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

43 **SECTION 16.** ORS 475C.233 is amended to read:

44 475C.233. (1) A licensee may not use or allow the use of a mark or label on the container of a
 45 marijuana item **or a cannabinoid hemp commodity or product** that is kept for sale if the mark

1 or label does not precisely and clearly indicate the nature of the container’s contents or if the mark
 2 or label in any way might deceive a customer about the nature, composition, quantity, age or quality
 3 of the container’s contents.

4 (2) The Oregon Liquor and Cannabis Commission may prohibit a licensee from selling any brand
 5 of marijuana item **or cannabinoid hemp commodity or product** that in the commission’s judgment
 6 is deceptively branded or labeled or contains injurious or adulterated ingredients.

7 **SECTION 17.** ORS 475C.237 is amended to read:

8 475C.237. (1) A marijuana item **or a cannabinoid hemp commodity or product** may not be sold
 9 or offered for sale within this state unless the marijuana item **or the cannabinoid hemp com-**
 10 **modity or product** complies with the minimum standards prescribed by the statutory laws of this
 11 state.

12 (2) The Oregon Liquor and Cannabis Commission may prohibit the sale of a marijuana item **or**
 13 **a cannabinoid hemp commodity or product** by a marijuana retailer **or other person** for a rea-
 14 sonable period of time for the purpose of determining whether the marijuana item **or the**
 15 **cannabinoid hemp commodity or product** complies with the minimum standards prescribed by the
 16 statutory laws of this state.

17 **SECTION 18.** ORS 475C.265 is amended to read:

18 475C.265. (1) Subject to subsection (3) of this section, the Oregon Liquor and Cannabis Com-
 19 mission may revoke, suspend or restrict a license issued under ORS 475C.005 to 475C.525 or require
 20 a licensee or licensee representative to undergo training if the commission finds or has reasonable
 21 ground to believe that the licensee or licensee representative:

22 (a) Has violated a provision of ORS 475C.005 to 475C.525 or a rule adopted under ORS 475C.005
 23 to 475C.525.

24 (b) Has diverted marijuana to the interstate market or an illicit market or has diverted re-
 25 sources to a criminal enterprise.

26 (c) Has introduced into the marijuana industry regulated under ORS 475C.005 to 475C.525
 27 cannabinoids or marijuana not produced or processed by a licensee and not tracked in the system
 28 developed and maintained under ORS 475C.177.

29 (d) Has made any false representation or statement to the commission regarding compliance
 30 with a provision of ORS 475C.005 to 475C.525 or a rule adopted under ORS 475C.005 to 475C.525 in
 31 order to induce or prevent action by the commission.

32 (e) Is in the habit of using alcoholic liquor, habit-forming drugs, marijuana or controlled sub-
 33 stances to excess.

34 (f) Has misrepresented to a customer or the public any marijuana items **or cannabinoid hemp**
 35 **commodities or products** sold by the licensee or licensee representative.

36 (g) Since the issuance of the license, has been convicted of a felony, of violating any of the
 37 marijuana laws of this state, general or local, or of any misdemeanor or violation of any municipal
 38 ordinance committed on the premises for which the license has been issued.

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

40 (2) In addition to the grounds listed in subsection (1) of this section, the commission may take
 41 an action described in subsection (1) of this section if there is a history of a lack of institutional
 42 control involving the premises for which a license has been issued under ORS 475C.005 to 475C.525.

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

45 (b) The commission shall consider as mitigating factors to the conduct described in subsection

1 (1) of this section the following:

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

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

5 (C) A demonstration that, to the satisfaction of the commission, the licensee’s willingness and
6 ability to adequately control the premises for which a license has been issued under ORS 475C.005
7 to 475C.525 and any inventory stored at the premises.

8 (4) The commission may suspend or restrict a license issued under ORS 475C.005 to 475C.525
9 or require a licensee or licensee representative to undergo training if the commission finds or has
10 reasonable grounds to believe that the licensee or licensee representative has violated a provision
11 of ORS 475C.005 to 475C.525 or a rule adopted under ORS 475C.005 to 475C.525.

12 (5) The commission may suspend or revoke a permit issued under ORS 475C.273 to an individual
13 rather than suspend or revoke a license issued under ORS 475C.005 to 475C.525 if the commission
14 determines that permit suspension or revocation is more appropriate.

15 (6)(a) The commission may revoke a marijuana retailer license issued under ORS 475C.097 if the
16 licensee fails to:

17 (A) Pay the tax as required under ORS 475C.682 twice in any four consecutive quarters and the
18 Department of Revenue has issued to the licensee a distraint warrant under ORS 475C.688 for the
19 nonpayment of tax; or

20 (B) File a return as required under ORS 475C.682 twice in any four consecutive quarters and
21 the department has issued to the licensee a notice of determination and assessment under ORS
22 475C.688 for failure to file a return.

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

27 **SECTION 19.** ORS 475C.269, as amended by section 4, chapter 117, Oregon Laws 2022, is
28 amended to read:

29 475C.269. (1) An individual who performs work for or on behalf of a licensee or a laboratory li-
30 censed under ORS 475C.548 must have a valid permit issued by the Oregon Liquor and Cannabis
31 Commission under ORS 475C.273 if the individual participates in:

32 (a) The delivery, possession, production, propagation, processing, sampling, securing, selling or
33 testing of marijuana items **or cannabinoid hemp commodities or products** at the premises or
34 laboratory for which the license has been issued;

35 (b) The recording of the delivery, possession, production, propagation, processing, sampling, se-
36 curing, selling or testing of marijuana items **or cannabinoid hemp commodities or products** at
37 the premises or laboratory for which the license has been issued; or

38 (c) The verification of any document described in ORS 475C.217.

39 (2) A licensee or a laboratory licensed under ORS 475C.548 must verify that an individual has
40 a valid permit issued under ORS 475C.273 before allowing the individual to perform, or continue to
41 perform, any work described in subsection (1) of this section at the premises or laboratory for which
42 the license has been issued.

43 **SECTION 20.** ORS 475C.273 is amended to read:

44 475C.273. (1) The Oregon Liquor and Cannabis Commission shall issue permits to qualified ap-
45 plicants to perform work described in ORS 475C.269. The commission shall adopt rules establishing:

- 1 (a) The qualifications for performing work described in ORS 475C.269;
- 2 (b) The term of a permit issued under this section;
- 3 (c) Procedures for applying for and renewing a permit issued under this section; and
- 4 (d) Reasonable application, issuance and renewal fees for a permit issued under this section.

5 (2)(a) The commission may require an individual applying for a permit under this section to
6 successfully complete a course, made available by or through the commission, through which the
7 individual receives training on:

- 8 (A) Checking identification;
- 9 (B) Detecting intoxication;
- 10 (C) Handling marijuana items **or cannabinoid hemp commodities or products;**
- 11 (D) If applicable, producing and propagating marijuana;
- 12 (E) If applicable, processing marijuana **or processing cannabinoid hemp commodities or**
13 **products;**
- 14 (F) The content of ORS 475C.005 to 475C.525 and rules adopted under ORS 475C.005 to 475C.525;

15 or

- 16 (G) Any matter deemed necessary by the commission to protect the public health and safety.

17 (b) The commission or other provider of a course may charge a reasonable fee for the course.

18 (c) The commission may not require an individual to successfully complete a course more than
19 once, except that:

20 (A) As part of a final order suspending a permit issued under this section, the commission may
21 require a permit holder to successfully complete the course as a condition of lifting the suspension;
22 and

23 (B) As part of a final order revoking a permit issued under this section, the commission shall
24 require an individual to successfully complete the course prior to applying for a new permit.

25 (3) The commission shall conduct a criminal records check under ORS 181A.195 on an individual
26 applying for a permit under this section.

27 (4) Subject to the applicable provisions of ORS chapter 183, the commission may suspend, revoke
28 or refuse to issue or renew a permit if the individual who is applying for or who holds the permit:

29 (a) Is convicted of a felony or is convicted of an offense under ORS 475C.005 to 475C.525, except
30 that the commission may not consider a conviction for an offense under ORS 475C.005 to 475C.525
31 if the date of the conviction is two or more years before the date of the application or renewal;

32 (b) Violates any provision of ORS 475C.005 to 475C.525 or any rule adopted under ORS 475C.005
33 to 475C.525; or

34 (c) Makes a false statement to the commission.

35 (5) A permit issued under this section is a personal privilege and permits work described under
36 ORS 475C.269 only for the individual who holds the permit.

37 **SECTION 21.** ORS 475C.301 is amended to read:

38 475C.301. (1) In addition to the duties, functions and powers described in ORS 471.775, and sub-
39 ject to subsection (2) of this section, a regulatory specialist, as defined in ORS 471.001, has the au-
40 thority as provided in ORS 133.005 to 133.400, 133.450, 133.525 to 133.703, 133.721 to 133.739, 161.233,
41 161.245, 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648, and chapter 743,
42 Oregon Laws 1971, to conduct inspections and investigations, make seizures, aid in prosecutions of
43 and issue citations to licensees and persons who hold a certificate or permit under ORS 475C.005
44 to 475C.525 for violations of and offenses related to, and otherwise enforce, ORS 475C.005 to
45 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648, any rule adopted under ORS 475C.005 to

1 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648 and any other law of this state that charges
 2 the Oregon Liquor and Cannabis Commission with a duty, function or power related to a marijuana
 3 item **or a cannabinoid hemp commodity or product**, including enforcing any law or rule related
 4 to individuals who use false identification for purposes of purchasing or possessing a marijuana item
 5 **or a cannabinoid hemp commodity or product, the purchase of which requires displaying**
 6 **identification**, or who engage in illegal activity on or near a premises.

7 (2) A regulatory specialist may not:

8 (a) Be sworn in as a federal law enforcement official and act in that capacity while performing
 9 an activity authorized by this section.

10 (b) Carry a firearm.

11 (c) Conduct inspections and investigations of a primary residence.

12 (d) For purposes of ensuring compliance with ORS 475C.770 to 475C.919, conduct inspections and
 13 investigations of registry identification cardholders or designated primary caregivers, the residences
 14 of registry identification cardholders or designated primary caregivers, or the locations where reg-
 15 istry identification cardholders or designated primary caregivers produce marijuana.

16 **SECTION 22.** ORS 475C.409, as amended by section 7, chapter 108, Oregon Laws 2022, is
 17 amended to read:

18 475C.409. If the owner of a building or premises knowingly has used the building or premises for,
 19 or allowed the building or premises to be occupied for, the production, processing, sale or use of
 20 marijuana items **or the processing of cannabinoid hemp commodities or products** contrary to
 21 the provisions of ORS 475C.005 to 475C.525, 475C.540 to 475C.586, 475C.600 to 475C.648 or 475C.770
 22 to 475C.919, or contrary to the provisions of any other state law or local ordinance regulating the
 23 production, processing, sale or use of marijuana items **or the processing of cannabinoid hemp**
 24 **commodities or products**, the building or premises is subject to a lien for, and may be sold to pay
 25 all fines and costs, including but not limited to any costs of cleanup and removal of marijuana **or**
 26 **cannabinoid hemp commodities or products**, assessed against the occupants of the building or
 27 premises for, any violation of ORS 475C.005 to 475C.525, 475C.540 to 475C.586, 475C.600 to 475C.648
 28 or 475C.770 to 475C.919, or any other state law or local ordinance regulating the production, pro-
 29 cessing, sale or use of marijuana items **or the processing of cannabinoid hemp commodities or**
 30 **products**. The lien may be enforced immediately by civil action in a court that has jurisdiction over
 31 the area in which the building or premises is located, by the district attorney of the county in which
 32 the building or premises is located.

33 **SECTION 23.** ORS 475C.449 is amended to read:

34 475C.449. (1) For purposes of this section, “reasonable regulations” includes:

35 (a) Reasonable conditions on the manner in which a marijuana producer that holds a license
 36 issued under ORS 475C.065 may produce marijuana or in which a researcher of cannabis that holds
 37 a certificate issued under ORS 475C.289 may produce marijuana or propagate immature marijuana
 38 plants;

39 (b) Reasonable conditions on the manner in which a marijuana processor that holds a license
 40 issued under ORS 475C.085 may process marijuana **or cannabinoid hemp commodities or pro-**
 41 **ducts**, or in which a researcher of cannabis that holds a certificate issued under ORS 475C.289 may
 42 process marijuana;

43 (c) Reasonable conditions on the manner in which a marijuana wholesaler that holds a license
 44 issued under ORS 475C.093 may sell marijuana at wholesale;

45 (d) Reasonable conditions on the manner in which a marijuana retailer that holds a license is-

1 sued under ORS 475C.097 may sell marijuana items;

2 (e) Reasonable limitations on the hours during which a premises for which a license has been
3 issued under ORS 475C.005 to 475C.525 may operate;

4 (f) Reasonable requirements related to the public's access to a premises for which a license or
5 certificate has been issued under ORS 475C.005 to 475C.525; and

6 (g) Reasonable limitations on where a premises for which a license or certificate may be issued
7 under ORS 475C.005 to 475C.525 may be located.

8 (2) Notwithstanding ORS 30.935, 215.253 (1) or 633.738, the governing body of a city or county
9 may adopt ordinances that impose reasonable regulations on the operation of businesses located at
10 premises for which a license or certificate has been issued under ORS 475C.005 to 475C.525 if the
11 premises are located in the area subject to the jurisdiction of the city or county, except that the
12 governing body of a city or county may not:

13 (a) Adopt an ordinance that prohibits a premises for which a license has been issued under ORS
14 475C.097 from being located within a distance that is greater than 1,000 feet of another premises for
15 which a license has been issued under ORS 475C.097.

16 (b) Adopt an ordinance that imposes a setback requirement for an agricultural building used to
17 produce marijuana located on a premises for which a license has been issued under ORS 475C.065
18 if the agricultural building:

19 (A) Was constructed on or before July 1, 2015, in compliance with all applicable land use and
20 building code requirements at the time of construction;

21 (B) Is located at an address where a marijuana grow site first registered with the Oregon Health
22 Authority under ORS 475C.792 on or before January 1, 2015;

23 (C) Was used to produce marijuana pursuant to the provisions of ORS 475C.770 to 475C.919 on
24 or before January 1, 2015; and

25 (D) Has four opaque walls and a roof.

26 **SECTION 24.** ORS 475C.469 is amended to read:

27 475C.469. The State Department of Agriculture may possess, test and dispose of marijuana items
28 **and cannabinoid hemp commodities or products.**

29 **SECTION 25.** ORS 475C.481 is amended to read:

30 475C.481. Subject to any applicable provision of ORS chapter 131A or 183, any state officer,
31 board, commission, corporation, institution, department or other state body, and any local officer,
32 board, commission, institution, department or other local government body, that is authorized by the
33 statutory laws of this state to perform a duty, function or power with respect to a marijuana item
34 **or a cannabinoid hemp commodity or product**, may purchase, possess, seize or dispose of the
35 marijuana item **or the cannabinoid hemp commodity or product** as the state officer, board,
36 commission, corporation, institution, department or other state body, or the local officer, board,
37 commission, institution, department or other local government body, considers necessary to ensure
38 compliance with and enforce the applicable statutory law or any rule adopted under the applicable
39 statutory law.

40 **SECTION 26.** ORS 475C.501 is amended to read:

41 475C.501. Any room, house, building, boat, structure or place of any kind where marijuana items
42 are sold, manufactured, bartered or given away **or where cannabinoid hemp commodities or**
43 **products are processed** in violation of the laws of this state, or where persons are permitted to
44 resort for the purpose of using marijuana items in violation of the laws of this state, or any place
45 where marijuana items are kept for sale, barter or gift in violation of the laws of this state, and all

1 marijuana items or property subject to confiscation under ORS 475C.417 kept and used in such a
 2 place, are a common nuisance. A person who maintains or assists in maintaining the common nui-
 3 sance or knowingly suffers or permits the nuisance to exist in any place of which the person is the
 4 owner, manager or lessor, is guilty of a violation of ORS 475C.005 to 475C.525.

5 **SECTION 27.** ORS 475C.513 is amended to read:

6 475C.513. (1) Notwithstanding ORS 475C.205 or any other provision prohibiting the transporta-
 7 tion of marijuana items **or cannabinoid hemp commodities or products** to or from a location for
 8 which a license has not been issued under ORS 475C.005 to 475C.525 or prohibiting the possession
 9 of marijuana items at a location for which a license has not been issued under ORS 475C.005 to
 10 475C.525, a licensee may transport marijuana items **or cannabinoid hemp commodities or pro-**
 11 **ducts** to and exhibit marijuana items **and cannabinoid hemp commodities or products** at a trade
 12 show, the Oregon State Fair or a similar event if:

13 (a) The marijuana items **or cannabinoid hemp commodities or products** are tracked using the
 14 system developed and maintained under ORS 475C.177;

15 (b) All of the marijuana items **or cannabinoid hemp commodities or products** are returned
 16 to a premises for which a license has been issued under ORS 475C.005 to 475C.525 immediately after
 17 the conclusion of the event; and

18 (c) The licensee complies with any other requirement imposed by the Oregon Liquor and
 19 Cannabis Commission by rule or order for the purpose of ensuring the security of the marijuana
 20 items **and the cannabinoid hemp commodities or products**, for the purpose of preventing minors
 21 from having access to the marijuana items **or the cannabinoid hemp commodities or products**,
 22 or for any other purpose deemed relevant by the commission.

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

24 **SECTION 28.** ORS 475C.540 is amended to read:

25 475C.540. As used in ORS 475C.540 to 475C.586:

26 (1) “Adult use cannabinoid” includes, but is not limited to, tetrahydrocannabinols,
 27 tetrahydrocannabinolic acids that are artificially or naturally derived, delta-8-tetrahydrocannabinol,
 28 delta-9- tetrahydrocannabinol, the optical isomers of delta-8-tetrahydrocannabinol or
 29 delta-9-tetrahydrocannabinol and any artificially derived cannabinoid that is reasonably determined
 30 to have an intoxicating effect.

31 (2) “Artificially derived cannabinoid” has the meaning given that term in ORS 475C.009.

32 (3) “Cannabinoid” means any of the chemical compounds that are the active constituents of
 33 marijuana.

34 (4) “Cannabinoid concentrate or extract” means a substance obtained by separating
 35 cannabinoids from marijuana by a mechanical, chemical or other process.

36 (5) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate or
 37 extract or the dried leaves or flowers of marijuana have been incorporated.

38 (6)(a) **“Cannabinoid hemp commodity or product” means industrial hemp concentrates,**
 39 **industrial hemp extracts and any other industrial hemp item that contains cannabinoids and**
 40 **is intended for human ingestion, inhalation or other manner of application to or use in or**
 41 **on the human body.**

42 (b) **“Cannabinoid hemp commodity or product” does not include:**

43 (A) **Industrial hemp processed through retting or other manner of processing so that the**
 44 **industrial hemp is suitable fiber for textiles, rope, paper, hempcrete or other building or fiber**
 45 **materials;**

1 (B) Industrial hemp processed in a manner that renders the industrial hemp seed inca-
2 pable of germination and suitable for human consumption;

3 (C) Industrial hemp seed processed into oil; or

4 (D) Flowers or leaves of industrial hemp intended for human consumption that:

5 (i) Are not industrial hemp concentrate or industrial hemp extract, as defined in ORS
6 571.269; and

7 (ii) Other than pre-rolled usable hemp that contains an unflavored rolling paper and filter
8 or tip, do not contain any added substances.

9 [(6)(a)] (7)(a) “Cannabinoid product” means a cannabinoid edible or any other product intended
10 for human consumption or use, including a product intended to be applied to a person’s skin or hair,
11 that contains cannabinoids or the dried leaves or flowers of marijuana.

12 (b) “Cannabinoid product” does not include:

13 (A) Usable marijuana by itself;

14 (B) A cannabinoid concentrate or extract by itself; or

15 (C) Industrial hemp.

16 [(7)] (8) “Industrial hemp” has the meaning given that term in ORS 571.269.

17 [(8) “Industrial hemp-derived vapor item” means an industrial hemp concentrate or industrial hemp
18 extract, as those terms are defined in ORS 571.269, whether alone or combined with other substances,
19 that is intended for use in an inhalant delivery system.]

20 [(9) “Inhalant delivery system” has the meaning given that term in ORS 431A.175.]

21 [(10)(a)] (9)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant
22 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

23 (b) “Marijuana” does not include:

24 (A) Industrial hemp; or

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

28 [(11)] (10) “Marijuana item” means marijuana, usable marijuana, a cannabinoid product or a
29 cannabinoid concentrate or extract.

30 [(12)] (11) “Processing” means:

31 (a) The compounding or conversion of marijuana into cannabinoid products or cannabinoid
32 concentrates or extracts.

33 (b) The compounding or conversion of industrial hemp **or industrial hemp commodities or**
34 **products** into industrial hemp concentrates or industrial hemp extracts, **or cannabinoid hemp**
35 **commodities or products.**

36 [(13)] (12) “Producing” means:

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

38 (b) Drying marijuana leaves and flowers.

39 [(14)(a)] (13)(a) “Usable marijuana” means the dried leaves and flowers of marijuana.

40 (b) “Usable marijuana” does not include:

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

42 (B) Waste material that is a by-product of producing or processing marijuana.

43 **SECTION 29.** ORS 475C.544 is amended to read:

44 475C.544. (1) As is necessary to protect the public health and safety, and in consultation with
45 the Oregon Liquor and Cannabis Commission and the State Department of Agriculture, the Oregon

1 Health Authority shall adopt rules:

2 (a) Establishing standards for testing marijuana items and [*industrial hemp-derived vapor items*]
3 **cannabinoid hemp commodities or products.**

4 (b) [*Identifying appropriate tests*] For marijuana items and [*industrial hemp-derived vapor items*]
5 **cannabinoid hemp commodities or products**, depending on the type of marijuana item or [*indus-*
6 *trial hemp-derived vapor item*] **cannabinoid hemp commodity or product**, and the manner in which
7 the marijuana item [*or industrial hemp-derived vapor item*] was produced or processed, **or the**
8 **cannabinoid hemp commodity or product was processed, identifying appropriate tests** that are
9 necessary to protect the public health and safety, including, but not limited to, tests for:

10 (A) Microbiological contaminants;

11 (B) Pesticides;

12 (C) Other contaminants;

13 (D) Solvents or residual solvents; and

14 (E) Adult use cannabinoid and cannabidiol concentration.

15 (c) Establishing procedures for determining batch sizes and for sampling usable marijuana,
16 cannabinoid products, cannabinoid concentrates or extracts and [*industrial hemp-derived vapor*
17 *items*] **cannabinoid hemp commodities or products.**

18 (d) Establishing different minimum standards for different varieties of usable marijuana and dif-
19 ferent types of cannabinoid products and cannabinoid concentrates and extracts and, as appropriate,
20 [*industrial hemp-derived vapor items*] **cannabinoid hemp commodities or products.**

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

25 (3) In adopting rules under ORS 475C.770 to 475C.919, the authority may require:

26 (a) A person responsible for a marijuana grow site under ORS 475C.792 to test usable marijuana
27 before transferring the usable marijuana to a registrant other than an individual who holds a reg-
28 istry identification card under ORS 475C.783; and

29 (b) A person processing marijuana to test cannabinoid products or cannabinoid concentrates or
30 extracts before transferring the cannabinoid products or cannabinoid concentrates or extracts to a
31 registrant other than an individual who holds a registry identification card under ORS 475C.783.

32 (4) In adopting rules under ORS 475C.005 to 475C.525, the commission may require:

33 (a) A marijuana producer that holds a license under ORS 475C.065 or a marijuana wholesaler
34 that holds a license under ORS 475C.093 to test usable marijuana before selling or transferring the
35 usable marijuana; and

36 (b) A marijuana processor that holds a license under ORS 475C.085 or a marijuana wholesaler
37 that holds a license under ORS 475C.093 to test cannabinoid products or cannabinoid concentrates
38 or extracts before selling or transferring the cannabinoid products or cannabinoid concentrates or
39 extracts.

40 (5) The authority and the commission may conduct random testing of marijuana items or [*in-*
41 *dustrial hemp-derived vapor items*] **cannabinoid hemp commodities or products** for the purpose
42 of determining whether a person subject to testing under subsection (3) of this section or a licensee
43 subject to testing under subsection (4) of this section is in compliance with this section.

44 (6) In adopting rules to implement this section, the authority and commission may not require
45 a marijuana item or [*industrial hemp-derived vapor item*] **a cannabinoid hemp commodity or**

1 **product** to undergo the same test more than once unless the marijuana item or [*industrial hemp-*
2 *derived vapor item*] **the cannabinoid hemp commodity or product** is processed into a different
3 type of marijuana item or [*industrial hemp-derived vapor item*] **cannabinoid hemp commodity or**
4 **product**, or the condition of the marijuana item or [*industrial hemp-derived vapor item*] **the**
5 **cannabinoid hemp commodity or product** has fundamentally changed.

6 (7) The testing of marijuana items and [*industrial hemp-derived vapor items*] **cannabinoid hemp**
7 **commodities or products** as required by this section must be conducted by a laboratory licensed
8 by the commission under ORS 475C.548 and accredited by the authority under ORS 475C.560.

9 (8) In adopting rules under subsection (1) of this section, the authority:

10 (a) Shall consider the cost of a potential testing procedure and how that cost will affect the cost
11 to the ultimate consumer of the marijuana item or [*industrial hemp-derived vapor item*] **the**
12 **cannabinoid hemp commodity or product**; and

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

15 **SECTION 30.** ORS 475C.548 is amended to read:

16 475C.548. (1) A laboratory that conducts testing of marijuana items or [*industrial hemp-derived*
17 *vapor items*] **cannabinoid hemp commodities or products** as required by ORS 475C.544 must have
18 a license to operate at the premises at which the marijuana items or [*industrial hemp-derived vapor*
19 *items*] **the cannabinoid hemp commodities or products** are tested.

20 (2) For purposes of this section, the Oregon Liquor and Cannabis Commission shall adopt rules
21 establishing:

22 (a) Qualifications to be licensed under this section, including that an applicant for licensure
23 under this section must be accredited by the Oregon Health Authority as described in ORS 475C.560;

24 (b) Processes for applying for and renewing a license under this section;

25 (c) Fees for applying for, receiving and renewing a license under this section; and

26 (d) Procedures for:

27 (A) Tracking usable marijuana, cannabinoid products, cannabinoid concentrates or extracts or
28 [*industrial hemp-derived vapor items to be tested*] **cannabinoid hemp commodities or products**;

29 (B) Documenting and reporting test results; and

30 (C) Disposing of samples of usable marijuana, cannabinoid products, cannabinoid concentrates
31 or extracts or [*industrial hemp-derived vapor items*] **cannabinoid hemp commodities or products**
32 that have been tested.

33 (3) A license issued under this section must be renewed annually.

34 (4) The commission may inspect premises licensed under this section to ensure compliance with
35 ORS 475C.540 to 475C.586 and rules adopted under ORS 475C.540 to 475C.586.

36 (5) Subject to the applicable provisions of ORS chapter 183, the commission may refuse to issue
37 or renew, or may suspend or revoke, a license issued under this section for violation of:

38 (a) A provision of ORS 475C.540 to 475C.586 or a rule adopted under a provision of ORS
39 475C.540 to 475C.586; or

40 (b) A provision of ORS 475C.005 to 475C.525 or a rule adopted under a provision of ORS
41 475C.005 to 475C.525.

42 (6) Fees adopted under subsection (2)(c) of this section must be reasonably calculated to pay the
43 expenses incurred by the commission under ORS 475C.540 to 475C.586.

44 (7) Fee moneys collected under this section shall be deposited in the Marijuana Control and
45 Regulation Fund established under ORS 475C.297 and are continuously appropriated to the commis-

1 sion for the purpose of carrying out the duties, functions and powers of the commission under ORS
 2 475C.540 to 475C.586.

3 **SECTION 31.** ORS 475C.560 is amended to read:

4 475C.560. (1) A laboratory that conducts testing of marijuana items or [*industrial hemp-derived*
 5 *vapor items*] **cannabinoid hemp commodities or products** as required by ORS 475C.544 must be
 6 accredited under ORS 438.605 to 438.620 and meet other qualifications as established by the Oregon
 7 Health Authority under this section.

8 (2) In addition to other qualifications required pursuant to ORS 438.605 to 438.620, the authority
 9 shall require an applicant for accreditation under ORS 438.605 to 438.620 for purposes related to the
 10 testing of marijuana items or [*industrial hemp-derived vapor items*] **cannabinoid hemp commodities**
 11 **or products** to:

12 (a) Complete an application;

13 (b) Undergo an onsite inspection; and

14 (c) Meet other applicable requirements, specifications and guidelines for testing marijuana items
 15 or [*industrial hemp-derived vapor items*] **cannabinoid hemp commodities or products**, as deter-
 16 mined to be appropriate by the authority by rule.

17 (3) The authority may inspect premises licensed under ORS 475C.548 to ensure compliance with
 18 ORS 475C.540 to 475C.586 and rules adopted under ORS 475C.540 to 475C.586.

19 (4) Subject to the applicable provisions of ORS chapter 183, the authority may refuse to issue
 20 or renew, or may suspend or revoke, a laboratory's accreditation granted under this section and
 21 ORS 438.605 to 438.620 for violation of:

22 (a) A provision of ORS 475C.540 to 475C.586 or a rule adopted under a provision of ORS
 23 475C.540 to 475C.586; or

24 (b) A provision of ORS 475C.005 to 475C.525 or a rule adopted under a provision of ORS
 25 475C.005 to 475C.525.

26 (5) In establishing fees under ORS 438.620 for laboratories that test marijuana items or [*indus-*
 27 *trial hemp-derived vapor items*] **cannabinoid hemp commodities or products**, the authority shall
 28 establish fees that are reasonably calculated to pay the expenses incurred by the authority under
 29 this section and ORS 438.605 to 438.620 in accrediting laboratories that test marijuana items or
 30 [*industrial hemp-derived vapor items*] **cannabinoid hemp commodities or products**.

31 **SECTION 32.** ORS 475C.582 is amended to read:

32 475C.582. (1) If a person violates a provision of ORS 475C.540 to 475C.586 or a rule adopted
 33 under ORS 475C.540 to 475C.586 with regard to [*an industrial hemp-derived vapor item*.:]

34 [(a) *The State Department of Agriculture may impose disciplinary action described in ORS 571.285*
 35 *and impose a civil penalty under ORS 571.348 if the person is a grower or handler registered under*
 36 *ORS 571.281.*]

37 [(b)] **a cannabinoid hemp commodity or product**, the Oregon Liquor and Cannabis Commis-
 38 sion may impose a civil penalty under ORS 475C.644 [*if the person is not a grower or handler regis-*
 39 *tered under ORS 571.281.*].

40 (2) The commission [*and the department*] may adopt rules to carry out this section.

41 **SECTION 33.** ORS 475C.590 is amended to read:

42 475C.590. (1) The Oregon Liquor and Cannabis Commission shall establish an advisory commit-
 43 tee to advise the commission, the Oregon Health Authority and the State Department of Agriculture
 44 on establishing and maintaining standards for testing the potency of marijuana [*and*], marijuana
 45 items **and cannabinoid hemp commodities or products**, as those terms are defined in ORS

1 475C.009. The members of the committee must include members who are:

2 (a) Representatives of the commission, the authority and the department;

3 (b) Stakeholders in the marijuana [*industry*] **and industrial hemp industries**; and

4 (c) Individuals who have expertise in the potency testing of marijuana [*and*], marijuana items
5 **and cannabinoid hemp commodities or products.**

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

7 **SECTION 34.** ORS 475C.600 is amended to read:

8 475C.600. As used in ORS 475C.600 to 475C.648:

9 (1) “Adult use cannabinoid” includes, but is not limited to, tetrahydrocannabinols,
10 tetrahydrocannabinolic acids that are artificially or naturally derived, delta-8-tetrahydrocannabinol,
11 delta-9- tetrahydrocannabinol, the optical isomers of delta-8-tetrahydrocannabinol or
12 delta-9-tetrahydrocannabinol and any artificially derived cannabinoid that is reasonably determined
13 to have an intoxicating effect.

14 (2) “Artificially derived cannabinoid” has the meaning given that term in ORS 475C.009.

15 (3) “Cannabinoid” means any of the chemical compounds that are the active constituents of
16 marijuana.

17 (4) “Cannabinoid concentrate or extract” means a substance obtained by separating
18 cannabinoids from marijuana by a mechanical, chemical or other process.

19 (5) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate or
20 extract or the dried leaves or flowers of marijuana have been incorporated.

21 **(6)(a) “Cannabinoid hemp commodity or product” means industrial hemp concentrates,**
22 **industrial hemp extracts and any other industrial hemp item that contains cannabinoids and**
23 **is intended for human ingestion, inhalation or other manner of application to or use in or**
24 **on the human body.**

25 **(b) “Cannabinoid hemp commodity or product” does not include:**

26 **(A) Industrial hemp processed through retting or other manner of processing so that the**
27 **industrial hemp is suitable fiber for textiles, rope, paper, hemperete or other building or fiber**
28 **materials;**

29 **(B) Industrial hemp processed in a manner that renders the industrial hemp seed inca-**
30 **pable of germination and suitable for human consumption;**

31 **(C) Industrial hemp seed processed into oil; or**

32 **(D) Flowers or leaves of industrial hemp intended for human consumption that:**

33 **(i) Are not industrial hemp concentrate or industrial hemp extract, as defined in ORS**
34 **571.269; and**

35 **(ii) Other than pre-rolled usable hemp that contains an unflavored rolling paper and filter**
36 **or tip, do not contain any added substances.**

37 [(6)(a)] **(7)(a)** “Cannabinoid product” means a cannabinoid edible or any other product intended
38 for human consumption or use, including a product intended to be applied to a person’s skin or hair,
39 that contains cannabinoids or the dried leaves or flowers of marijuana.

40 (b) “Cannabinoid product” does not include:

41 (A) Usable marijuana by itself;

42 (B) A cannabinoid concentrate or extract by itself; or

43 (C) Industrial hemp.

44 [(7)] **(8)** “Industrial hemp” has the meaning given that term in ORS 571.269.

45 [(8) “Industrial hemp-derived vapor item” means an industrial hemp concentrate or industrial hemp

1 *extract, as those terms are defined in ORS 571.269, whether alone or combined with other substances,*
 2 *that is intended for use in an inhalant delivery system.]*

3 (9) “Inhalant delivery system” has the meaning given that term in ORS 431A.175.

4 (10)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant
 5 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

6 (b) “Marijuana” does not include:

7 (A) Industrial hemp; or

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

11 (11) “Marijuana item” means marijuana, usable marijuana, a cannabinoid product or a
 12 cannabinoid concentrate or extract.

13 (12) “Processing” means:

14 (a) The compounding or conversion of marijuana into cannabinoid products or cannabinoid
 15 concentrates or extracts.

16 (b) The compounding or conversion of industrial hemp **or industrial hemp commodities or**
 17 **products** into industrial hemp concentrates [or], industrial hemp extracts **or cannabinoid hemp**
 18 **commodities or products**.

19 (13) “Producing” means:

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

21 (b) Drying marijuana leaves and flowers.

22 (14) “Total delta-9-THC” has the meaning given that term in ORS 475C.009.

23 (15)(a) “Usable marijuana” means the dried leaves and flowers of marijuana.

24 (b) “Usable marijuana” does not include:

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

26 (B) Waste material that is a by-product of producing or processing marijuana.

27 **SECTION 35.** ORS 475C.604 is amended to read:

28 475C.604. (1) As is necessary to protect the public health and safety, and in consultation with
 29 the Oregon Health Authority and the State Department of Agriculture, the Oregon Liquor and
 30 Cannabis Commission shall adopt rules establishing standards for the labeling of marijuana items
 31 [and], **cannabinoid hemp commodities or products, and** inhalant delivery systems that contain
 32 [*industrial hemp-derived vapor items*] **cannabinoid hemp commodities or products**, including but
 33 not limited to:

34 (a) Ensuring that usable marijuana, cannabinoid concentrates and extracts, cannabinoid edibles,
 35 other cannabinoid products, **cannabinoid hemp commodities or products**, and inhalant delivery
 36 systems that contain [*industrial hemp-derived vapor items*] **cannabinoid hemp commodities or**
 37 **products** have labeling that communicates:

38 (A) Health and safety warnings;

39 (B) If applicable, activation time;

40 (C) Potency;

41 (D) For cannabinoid products and cannabinoid concentrates and extracts, serving size and the
 42 number of servings included in a cannabinoid product or cannabinoid concentrate or extract pack-
 43 age; and

44 (E) Content of the marijuana item, **cannabinoid hemp commodity or product**, or inhalant de-
 45 livery system that contains [*an industrial hemp-derived vapor item*] **a cannabinoid hemp commodity**

1 **or product;** and

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

5 (2) In adopting rules under ORS 475C.770 to 475C.919, the authority shall require all usable
 6 marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a med-
 7 ical marijuana dispensary registered under ORS 475C.833 to be labeled in accordance with sub-
 8 section (1) of this section and rules adopted under subsection (1) of this section.

9 (3) In adopting rules under ORS 475C.005 to 475C.525, the commission shall require all usable
 10 marijuana, cannabinoid products [*and*], cannabinoid concentrates and extracts, **and cannabinoid**
 11 **hemp commodities or products** sold or transferred by a marijuana retailer that holds a license
 12 issued under ORS 475C.097 to be labeled in accordance with subsection (1) of this section and rules
 13 adopted under subsection (1) of this section.

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

15 (a) May establish different labeling standards for different varieties of usable marijuana, for
 16 different types of cannabinoid products and cannabinoid concentrates and extracts, **cannabinoid**
 17 **hemp commodities or products** and for inhalant delivery systems that contain [*industrial hemp-*
 18 *derived vapor items*] **cannabinoid hemp commodities or products**;

19 (b) May establish different minimum labeling standards for persons registered under ORS
 20 475C.770 to 475C.919 and persons licensed under ORS 475C.005 to 475C.525;

21 (c) Shall consider the cost of a potential requirement and how that cost will affect the cost to
 22 the ultimate consumer of the marijuana item, **cannabinoid hemp commodity or product**, or
 23 inhalant delivery system that contains [*an industrial hemp-derived vapor item*] **a cannabinoid hemp**
 24 **commodity or product**; and

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

27 **SECTION 36.** ORS 475C.608, as amended by section 8, chapter 108, Oregon Laws 2022, and
 28 section 5, chapter 117, Oregon Laws 2022, is amended to read:

29 475C.608. (1) As used in this section:

30 (a) “Licensee” has the meaning given that term in ORS 475C.009.

31 (b) “Registrant” means a person registered under ORS 475C.770 to 475C.919.

32 (2) The Oregon Liquor and Cannabis Commission may by rule require a licensee or person re-
 33 sponsible for the labeling of an inhalant delivery system that contains [*an industrial hemp-derived*
 34 *vapor item*] **a cannabinoid hemp commodity or product**, and the Oregon Health Authority may
 35 by rule require a registrant, to submit a label intended for use on a marijuana item, **a cannabinoid**
 36 **hemp commodity or product** or an inhalant delivery system that contains [*an industrial hemp-*
 37 *derived vapor item*] **a cannabinoid hemp commodity or product** for preapproval by the commission
 38 before the licensee, person or registrant may sell or transfer a marijuana item, **a cannabinoid hemp**
 39 **commodity or product** or an inhalant delivery system that contains [*an industrial hemp-derived*
 40 *vapor item*] **a cannabinoid hemp commodity or product** bearing the label. The commission shall
 41 determine whether a label submitted under this section complies with ORS 475C.604 and any rule
 42 adopted under ORS 475C.604.

43 (3) The commission may impose a fee for submitting a label for preapproval under this section
 44 that is reasonably calculated to not exceed the cost of administering this section.

45 **SECTION 37.** ORS 475C.612 is amended to read:

1 475C.612. (1) As is necessary to protect the public health and safety, and in consultation with
 2 the Oregon Health Authority and the State Department of Agriculture, the Oregon Liquor and
 3 Cannabis Commission shall adopt rules establishing standards for the packaging of marijuana items
 4 **and cannabinoid hemp commodities or products**, including but not limited to:

5 (a) Ensuring that cannabinoid concentrates and extracts, cannabinoid edibles [*and*], other
 6 cannabinoid products **and cannabinoid hemp commodities or products** are:

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

8 (B) Not marketed in a manner that:

9 (i) Is untruthful or misleading;

10 (ii) Is attractive to minors; or

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

12 (b) Ensuring that usable marijuana, including usable marijuana that is pre-rolled, is not mar-
 13 keted in a manner that:

14 (A) Is untruthful and misleading;

15 (B) Is attractive to minors; or

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

17 (c) Ensuring that cannabinoid edibles [*and*], other cannabinoid products **and cannabinoid hemp**
 18 **commodities or products** are not packaged in a manner that is attractive to minors.

19 (2) In adopting rules under ORS 475C.770 to 475C.919, the authority shall require all usable
 20 marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a med-
 21 ical marijuana dispensary registered under ORS 475C.833 to be packaged in accordance with sub-
 22 section (1) of this section and rules adopted under subsection (1) of this section.

23 (3) In adopting rules under ORS 475C.005 to 475C.525, the commission shall require all usable
 24 marijuana, cannabinoid products and cannabinoid concentrates and extracts, **and cannabinoid**
 25 **hemp commodities or products** sold or transferred by a marijuana retailer that holds a license
 26 under ORS 475C.097 to be packaged in accordance with subsection (1) of this section and rules
 27 adopted under subsection (1) of this section.

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

29 (a) May establish different packaging standards for different varieties of usable marijuana and
 30 for different types of cannabinoid products and cannabinoid concentrates and extracts, **and**
 31 **cannabinoid hemp commodities or products**;

32 (b) May establish different minimum packaging standards for persons registered under ORS
 33 475C.770 to 475C.919 and persons licensed under ORS 475C.005 to 475C.525;

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

35 (d) Shall consider the cost of a potential requirement and how that cost will affect the cost to
 36 the ultimate consumer of the marijuana item **or cannabinoid hemp commodity or product**; and

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

39 **SECTION 38.** ORS 475C.616 is amended to read:

40 475C.616. (1) As used in this section:

41 (a) "Licensee" has the meaning given that term in ORS 475C.009.

42 (b) "Registrant" means a person registered under ORS 475C.770 to 475C.919.

43 (2) The Oregon Liquor and Cannabis Commission may by rule require a licensee, and the Oregon
 44 Health Authority may by rule require a registrant, to submit packaging intended for a marijuana
 45 item **or a cannabinoid hemp commodity or product** for preapproval by the commission before the

1 licensee or registrant may sell or transfer a marijuana item **or a cannabinoid hemp commodity**
 2 **or product** packaged in the packaging. The commission shall determine whether packaging submit-
 3 ted under this section complies with ORS 475C.612 and any rule adopted under ORS 475C.612.

4 (3) The commission may impose a fee for submitting packaging for preapproval under this sec-
 5 tion that is reasonably calculated to not exceed the cost of administering this section.

6 **SECTION 39.** ORS 475C.648 is amended to read:

7 475C.648. (1) If a person violates a provision of ORS 475C.600 to 475C.648 or a rule adopted
 8 under ORS 475C.600 to 475C.648 with regard to [*an industrial hemp-derived vapor item.*]

9 [*(a) The State Department of Agriculture may impose disciplinary action described in ORS 571.285*
 10 *and impose a civil penalty under ORS 571.348 if the person is a grower or handler registered under*
 11 *ORS 571.281.*]

12 [*(b)*] **a cannabinoid hemp commodity or product**, the Oregon Liquor and Cannabis Commis-
 13 sion may impose a civil penalty under ORS 475C.644 [*if the person is not a grower or handler regis-*
 14 *tered under ORS 571.281.*].

15 (2) The commission [*and the department*] may adopt rules to carry out this section.

16 **SECTION 40.** ORS 571.269 is amended to read:

17 571.269. As used in ORS 571.260 to 571.348:

18 (1) “Adult use cannabinoid” has the meaning given that term in ORS 475C.009.

19 (2) “Adult use cannabis item” has the meaning given that term in ORS 475C.009.

20 (3) “Agricultural hemp seed” means Cannabis seed:

21 (a) That is sold to or intended to be sold to licensed growers for planting; or

22 (b) That remains in an unprocessed or partially processed condition that is capable of
 23 germination.

24 (4) “Artificially derived cannabinoid” has the meaning given that term in ORS 475C.009.

25 (5)(a) **“Cannabinoid hemp commodity or product” means industrial hemp concentrates,**
 26 **industrial hemp extracts and any other industrial hemp item that contains cannabinoids and**
 27 **is intended for human ingestion, inhalation or other manner of application to or use in or**
 28 **on the human body.**

29 (b) **“Cannabinoid hemp commodity or product” does not include:**

30 (A) **Industrial hemp processed through retting or other manner of processing so that the**
 31 **industrial hemp is suitable fiber for textiles, rope, paper, hemperete or other building or fiber**
 32 **materials;**

33 (B) **Industrial hemp processed in a manner that renders the industrial hemp seed inca-**
 34 **capable of germination and suitable for human consumption;**

35 (C) **Industrial hemp seed processed into oil; or**

36 (D) **Usable hemp.**

37 [(5)] (6) “Consumption” means ingestion, inhalation or topical application to the skin or hair.

38 [(6)] (7) “Crop” means industrial hemp grown under a single license.

39 (8) **“Distributor” means a person located outside of this state that holds a certificate is-**
 40 **sued under section 3 of this 2023 Act for the purpose of importing usable hemp or**
 41 **cannabinoid hemp commodities or products into this state.**

42 [(7)] (9) “Grower” means a person, joint venture or cooperative that produces industrial hemp.

43 [(8)] (10) “Handler” means a person, joint venture or cooperative that receives industrial hemp
 44 for processing into commodities, products or agricultural hemp seed and any other activities iden-
 45 tified by the State Department of Agriculture by rule.

1 (11)(a) **“Hemp retailer” means a person in this state that sells cannabinoid hemp com-**
 2 **modities or products to a consumer.**

3 (b) **“Hemp retailer” does not include a marijuana retailer that holds a license issued un-**
 4 **der ORS 475C.097.**

5 [(9)(a)] (12)(a) **“Industrial hemp”:**

6 (A) Means the plant species Cannabis sativa that has a tetrahydrocannabinol concentration that
 7 complies with the concentration specified by the department by rule; and

8 (B) Has the meaning given that term as it is further defined by the department by rule.

9 (b) **“Industrial hemp” does not mean:**

10 (A) **Industrial hemp commodities or products[.]; or**

11 (B) **Cannabinoid hemp commodities or products.**

12 [(10)] (13) **“Industrial hemp concentrate” means an industrial hemp product obtained by sepa-**
 13 **rating cannabinoids from industrial hemp by:**

14 (a) A mechanical process;

15 (b) A chemical extraction process using a nonhydrocarbon-based solvent, such as water, vege-
 16 table glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;

17 (c) A chemical extraction process using carbon dioxide, provided that the process does not in-
 18 volve the use of high heat or pressure; or

19 (d) Any other process identified by the department by rule.

20 [(11)] (14) **“Industrial hemp extract” means an industrial hemp product obtained by separating**
 21 **cannabinoids from industrial hemp by:**

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

24 (b) A chemical extraction process using carbon dioxide, if the process uses high heat or pres-
 25 sure; or

26 (c) Any other process identified by the department by rule.

27 [(12)] (15) **“Licensee” means a grower, handler, agricultural hemp seed producer or other person**
 28 **licensed under ORS 571.281.**

29 (16) **“Usable hemp” means flowers or leaves of industrial hemp intended for human con-**
 30 **sumption that:**

31 (a) **Are not industrial hemp concentrate or industrial hemp extract; and**

32 (b) **Other than pre-rolled usable hemp that contains an unflavored rolling paper and filter**
 33 **or tip, do not contain any added substances.**

34 **SECTION 41.** ORS 571.294 is amended to read:

35 571.294. The State Department of Agriculture may charge growers and handlers licensed under
 36 ORS 571.281 fees reasonably calculated by the department to pay the cost of sampling or testing
 37 industrial hemp, [or] industrial hemp commodities or products, **or cannabinoid hemp commodities**
 38 **or products** under ORS 571.330 and 571.333. Moneys from fees charged under this section shall be
 39 deposited in the Industrial Hemp Fund established under ORS 571.278.

40 **SECTION 42.** ORS 571.312 is amended to read:

41 571.312. (1) As used in this section, “industrial hemp commodities and products intended for
 42 human consumption” means industrial hemp concentrates, industrial hemp extracts and any other
 43 industrial hemp item intended for **human** ingestion or inhalation **that is a cannabinoid hemp**
 44 **commodity or product.**

45 (2) The State Department of Agriculture, **in consultation with the Oregon Liquor and**

1 **Cannabis Commission**, shall establish by rule requirements for tracking the transfer of industrial
2 hemp commodities and products intended for human consumption. The tracking described in this
3 section may include:

4 (a) Associating the results from tests performed under ORS 571.330 with the batch of industrial
5 hemp on which the tests were performed; and

6 (b) Identifying the origin and destination of industrial hemp commodities and products intended
7 for human consumption transferred by a person licensed under ORS 571.281.

8 (3) Any requirements established by the department pursuant to subsection (2) of this section
9 may require the use of the system developed and maintained under ORS 475C.177.

10 **SECTION 43.** ORS 571.330 is amended to read:

11 571.330. (1)(a) A laboratory licensed by the Oregon Liquor and Cannabis Commission under ORS
12 475C.548 and accredited by the Oregon Health Authority pursuant to ORS 475C.560 may test:

13 (A) Industrial hemp and industrial hemp commodities and products whether or not the industrial
14 hemp or industrial hemp commodities or products, were produced or processed by a licensee; **and**

15 (B) **Cannabinoid hemp commodities or products, processed by a licensee.**

16 (b) An accredited independent testing laboratory that has been approved by the authority or the
17 State Department of Agriculture may test industrial hemp and industrial hemp commodities and
18 products whether or not the industrial hemp or industrial hemp commodities or products were
19 produced or processed by a licensee.

20 (2) A person may not sell or transfer [*an industrial hemp commodity or product that is intended*
21 *for human consumption and*] **a cannabinoid hemp commodity or product** that was produced, pro-
22 cessed or manufactured in this state unless the **cannabinoid hemp** commodity or product is tested
23 by a laboratory described in subsection (1) of this section to ensure that the **cannabinoid hemp**
24 commodity or product meets the requirements adopted by the Oregon Health Authority under ORS
25 475C.544 [(1)(a) and (b) for testing marijuana items and industrial hemp-derived vapor items and ORS
26 475C.544 (2) for testing cannabinoid edibles].

27 (3) [*Industrial*] **Cannabinoid** hemp commodities or products that are intended for use in an
28 inhalant delivery system, as defined in ORS 431A.175, must meet the requirements of ORS 475C.540
29 to 475C.586 and 475C.600 to 475C.648 that apply to [*industrial hemp-derived vapor items*]
30 **cannabinoid hemp commodities or products** as defined in ORS 475C.540 and 475C.600.

31 (4) For purposes of this section, the department shall adopt rules:

32 (a) Establishing protocols for the testing of industrial hemp commodities and products, **and**
33 **cannabinoid hemp commodities or products**; and

34 (b) Establishing procedures for determining batch sizes and for sampling industrial hemp com-
35 modities and products.

36 (5) This section does not apply to:

37 (a) Agricultural hemp seed;

38 (b) Seeds of the plant genus *Cannabis* within the plant family Cannabaceae that are incapable
39 of germination;

40 (c) Products derived from seeds described in paragraph (b) of this subsection; or

41 (d) Other parts of industrial hemp that the department identifies by rule as exempt.

42 **SECTION 44.** ORS 571.336 is amended to read:

43 571.336. (1) As used in this section, “licensee,” “marijuana,” “marijuana item,” [*and*] “marijuana
44 processor,” **“marijuana retailer” and “marijuana wholesaler”** have the meanings given those
45 terms in ORS 475C.009.

1 (2) A [grower licensed under ORS 571.281 may deliver industrial hemp, and a] handler licensed
 2 under ORS 571.281 may deliver [industrial hemp concentrates and industrial hemp extracts,] **usable**
 3 **hemp** to a marijuana processor that holds a license issued under ORS 475C.085, **a marijuana**
 4 **wholesaler that holds a license issued under ORS 475C.093 or a marijuana retailer that holds**
 5 **a license issued under ORS 475C.097 if[.] the handler is registered with the Oregon Liquor and**
 6 **Cannabis Commission, in a form and manner prescribed by the commission.**

7 [(a) The grower or handler and the marijuana processor are registered with the Oregon Liquor and
 8 Cannabis Commission, in a form and manner prescribed by the commission, for the purpose of pro-
 9 cessing industrial hemp, industrial hemp concentrates and industrial hemp extracts;]

10 [(b) The marijuana processor is provided with the results of any test conducted on the industrial
 11 hemp, industrial hemp concentrate or industrial hemp extract pursuant to ORS 571.260 to 571.348 as
 12 a condition of the marijuana processor's receiving the industrial hemp, industrial hemp concentrate or
 13 industrial hemp extract;]

14 [(c) The marijuana processor keeps the results of any test that the marijuana processor receives
 15 pursuant to paragraph (b) of this subsection in a form and manner prescribed by the commission;]

16 [(d) The industrial hemp, industrial hemp concentrate or industrial hemp extract is tracked using
 17 the system developed and maintained under ORS 475C.177 when the industrial hemp, industrial hemp
 18 concentrate or industrial hemp extract is delivered to the premises of the marijuana processor; and]

19 **(3)(a) The handler shall enter into the tracking system developed and maintained under**
 20 **ORS 475C.177 the usable hemp that is intended for transfer, sale or transport to a marijuana**
 21 **processor, marijuana wholesaler or marijuana retailer before the usable hemp is transferred**
 22 **to a laboratory described in ORS 571.330 for testing in accordance with ORS 475C.544. The**
 23 **licensee and the laboratory shall continue to track the usable hemp entered into the system**
 24 **under this paragraph when the usable hemp is transferred, sold or transported to a premises**
 25 **licensed under ORS 475C.005 to 475C.525, or to other areas under the control of the premises**
 26 **licensee.**

27 [(e)] **(b) The [grower or] handler and the marijuana processor, marijuana wholesaler or**
 28 **marijuana retailer shall** meet any other requirement established by the commission by rule.

29 [(3) Industrial hemp, industrial hemp concentrates and industrial hemp extracts may be processed
 30 by a marijuana processor registered under this section into any industrial hemp commodity or product
 31 or used by a marijuana processor registered under this section to supplement the processing of any
 32 marijuana item.]

33 [(4) An industrial hemp concentrate, industrial hemp extract, industrial hemp commodity or product
 34 or marijuana item processed pursuant to this section may be delivered by a marijuana processor reg-
 35 istered under this section to a licensee as described in ORS 475C.205, provided that the industrial hemp
 36 concentrate, industrial hemp extract, industrial hemp commodity or product or marijuana item meets
 37 any applicable requirement for marijuana items set forth in ORS 475C.005 to 475C.525, 475C.540 to
 38 475C.586 and 475C.600 to 475C.648 and rules adopted under ORS 475C.005 to 475C.525, 475C.540 to
 39 475C.586 and 475C.600 to 475C.648.]

40 **(4) A marijuana processor that holds a license issued under ORS 475C.085 may:**

41 **(a) Process usable hemp received under this section into any industrial hemp commodity**
 42 **or product; and**

43 **(b) Use usable hemp received under this section to supplement the processing of any**
 44 **marijuana item.**

45 (5) The commission may impose an annual fee reasonably calculated to not exceed the cost of

1 administering this section on [*growers registered under this section,*] handlers registered under this
 2 section [*and marijuana processors registered under this section*]. Fees collected under this section
 3 shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475C.297.
 4 Moneys deposited in the fund pursuant to this subsection are continuously appropriated to the
 5 commission for the purpose of administering this section.

6 **SECTION 45.** ORS 571.337 is amended to read:

7 571.337. (1) As used in this section:

8 (a) **“Licensee” means a person licensed under ORS 475C.005 to 475C.525.**

9 [(a)] (b) “Processor” means a person licensed under ORS 475C.085.

10 [(b)] (c) “Retailer” means a person licensed under ORS 475C.097.

11 [(c)] (d) “Wholesaler” means a person licensed under ORS 475C.093.

12 [(2) A processor, retailer or wholesaler may purchase, receive, transfer, sell or transport industrial
 13 hemp, or an industrial hemp commodity or product that contains cannabinoids and is intended for
 14 human consumption, only if:]

15 [(a) The processor, retailer or wholesaler received the hemp, commodity or product from a grower
 16 or handler licensed under ORS 571.281 or a processor;]

17 [(b) The grower, handler or processor under paragraph (a) of this subsection is registered with the
 18 Oregon Liquor and Cannabis Commission as provided under ORS 571.336; and]

19 [(c) The hemp, commodity or product meets the requirements for marijuana items under ORS
 20 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648 and rules adopted by the com-
 21 mission.]

22 [(3) A grower, handler or processor registered as described under ORS 571.336 (2)(a) shall enter
 23 the hemp, commodity or product that contains cannabinoids, is intended for human consumption and
 24 is intended for transfer, sale or transport to a processor, retailer or wholesaler licensed under ORS
 25 475C.005 to 475C.525 into the tracking system described in ORS 475C.177 before the hemp, commodity
 26 or product is transferred to a laboratory described in ORS 571.330 (1) for testing of a type described
 27 under ORS 475C.544. The commission shall continue to track the hemp, commodity or product entered
 28 into the system under this subsection when the hemp, commodity or product is transferred, sold or
 29 transported to a premises licensed under ORS 475C.005 to 475C.525, or to other areas under the control
 30 of the premises licensee.]

31 [(4) A processor may transfer, sell or transport an industrial hemp commodity or product to a
 32 person that is not a processor, retailer or wholesaler if the industrial hemp commodity or product:]

33 [(a) Is tested as described in ORS 475C.544 and otherwise meets the requirements for marijuana
 34 items under ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648 and rules
 35 adopted by the commission;]

36 [(b) Is entered into the tracking system described in ORS 475C.177;]

37 [(c) Prior to the transfer, sale or transport, is held by the processor for the duration and in the
 38 manner required by the commission by rule; and]

39 [(d) Meets any other requirements established by the commission by rule.]

40 [(5) The State Department of Agriculture shall adopt rules regarding the activities of growers and
 41 handlers under this section.]

42 [(6)(a) The commission shall adopt rules regarding the activities of processors, retailers, whole-
 43 salers and laboratories under this section.]

44 [(b) The commission may adopt rules to carry out subsection (4) of this section.]

45 **(2) A processor, retailer or wholesaler may receive a cannabinoid hemp commodity or**

1 **product only if:**

2 (a) **The processor, retailer or wholesaler receives the cannabinoid hemp commodity or**
 3 **product from a processor, retailer, wholesaler or distributor; and**

4 (b) **The cannabinoid hemp commodity or product meets the requirements for marijuana**
 5 **items under ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648 and rules**
 6 **adopted by the Oregon Liquor and Cannabis Commission under ORS 475C.005 to 475C.525,**
 7 **475C.540 to 475C.586 and 475C.600 to 475C.648.**

8 (3) **A processor, retailer or wholesaler may purchase or receive usable hemp only if:**

9 (a) **The processor, retailer or wholesaler purchases or receives the usable hemp from a**
 10 **processor, retailer, wholesaler or distributor or a handler licensed under ORS 571.281 and**
 11 **registered with the commission under ORS 571.336; and**

12 (b) **The usable hemp meets the requirements for marijuana items under ORS 475C.005 to**
 13 **475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648 and rules adopted by the commission**
 14 **under ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648.**

15 (4) **A processor may purchase or receive industrial hemp only if:**

16 (a) **The processor is licensed as a handler under ORS 571.281;**

17 (b) **The industrial hemp was grown and harvested in accordance with 7 C.F.R. 990.23 or**
 18 **7 U.S.C. 1639p, or regulations promulgated under 7 U.S.C. 1639p; and**

19 (c) **The industrial hemp passed testing in accordance with 7 U.S.C. 1639p or 1639q and any**
 20 **regulations promulgated under 7 U.S.C. 1639p or 1639q.**

21 (5) **A processor shall enter any industrial hemp received by the processor under sub-**
 22 **section (4) of this section into the system developed and maintained under ORS 475C.177**
 23 **immediately upon receipt of the industrial hemp. A licensee or laboratory licensee shall**
 24 **continue to track the industrial hemp, or a cannabinoid hemp commodity or product pro-**
 25 **cessed from the industrial hemp, when the industrial hemp or cannabinoid hemp commodity**
 26 **or product is transferred, sold or transported to a premises licensed under ORS 475C.005 to**
 27 **475C.525, or to other areas under the control of the premises licensee.**

28 (6) **A processor, retailer or wholesaler may transfer, sell or transport an industrial hemp**
 29 **commodity or product to a person that is not a processor, retailer or wholesaler if the in-**
 30 **dustrial hemp commodity or product:**

31 (a) **Is tested as described under ORS 475C.544 and otherwise meets the requirements for**
 32 **marijuana items under ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648**
 33 **and rules adopted by the commission under ORS 475C.005 to 475C.525, 475C.540 to 475C.586**
 34 **and 475C.600 to 475C.648;**

35 (b) **Is entered into the system developed and maintained under ORS 475C.177;**

36 (c) **Prior to the transfer, sale or transport, is held by the processor, retailer or whole-**
 37 **saler for the duration and in the manner required by the commission by rule; and**

38 (d) **Meets any other requirements established by the commission by rule.**

39 (7) **The commission shall adopt rules regarding the activities of processors, retailers,**
 40 **wholesalers and distributors under this section.**

41 **SECTION 46.** ORS 571.339 is amended to read:

42 571.339. (1) For purposes of this section, “consumer” means a person that purchases, acquires,
 43 owns, holds or uses [*an industrial hemp*] **a cannabinoid hemp** commodity or product other than for
 44 the purpose of resale.

45 (2) A person may not sell, transfer or deliver [*to a consumer an industrial hemp commodity or*

1 *product that contains cannabinoids and is intended for human consumption*] **a cannabinoid hemp**
 2 **commodity or product to a consumer in Oregon** unless:

3 (a) The [*industrial*] **cannabinoid** hemp commodity or product has been tested in accordance with
 4 **and meets the requirements of ORS 475C.544 and ORS 571.330** and any rules adopted pursuant
 5 to **ORS 475C.544 and ORS 571.330**;

6 (b) If the **cannabinoid** hemp commodity or product is intended for human [*consumption by*]
 7 ingestion, the **cannabinoid** hemp commodity or product was processed in a facility licensed by the
 8 State Department of Agriculture under ORS 616.695 to 616.755 or in a facility in another state or
 9 jurisdiction that meets requirements substantially similar to requirements established under ORS
 10 616.695 to 616.755;

11 (c) The person obtains and maintains documentation of the results of the testing;

12 [*(d) If the industrial hemp commodity or product is sold to a person under 21 years of age or any*
 13 *representations are made to the consumer about the concentration of delta-8-tetrahydrocannabinol, the*
 14 *results of the testing required under this subsection demonstrate the concentration of*
 15 *delta-8-tetrahydrocannabinol;*]

16 [*(e) The industrial hemp commodity or product does not contain more than 0.3 percent*
 17 *tetrahydrocannabinol or the concentration of tetrahydrocannabinol allowed under federal law, which-*
 18 *ever is greater; and*]

19 [*(f)*] **(d)** The [*industrial*] **cannabinoid** hemp commodity or product does not exceed the concen-
 20 tration of adult use cannabinoids established by the Oregon Liquor and Cannabis Commission, in
 21 conjunction with the Oregon Health Authority and State Department of Agriculture, by rule[.];

22 **(e) The cannabinoid hemp commodity or product is labeled in accordance with ORS**
 23 **475C.600 to 475C.648 and the rules adopted under ORS 475C.600 to 475C.648; and**

24 **(f) The cannabinoid hemp commodity or product is included on the registry of**
 25 **cannabinoid hemp commodities or products described in section 2 of this 2023 Act.**

26 (3) The testing required under subsection (2) of this section may be conducted only by:

27 (a) A laboratory licensed by the commission under ORS 475C.548 and accredited by the author-
 28 ity under ORS 475C.560; or

29 (b) If the [*industrial*] **cannabinoid** hemp commodity or product was processed outside of this
 30 state, a laboratory accredited to the same or more stringent standards as a laboratory described in
 31 paragraph (a) of this subsection.

32 (4) A person may not sell or deliver an adult use cannabis item to a person under 21 years of
 33 age.

34 **(5) A person may not sell, transfer or deliver a marijuana item, as defined in ORS**
 35 **475C.257, to a consumer.**

36 **(6) A hemp retailer may receive cannabinoid hemp commodities or products only if the**
 37 **requirements of subsection (2) of this section are met and only from:**

38 **(a) A marijuana processor that holds a license issued under ORS 475C.085;**

39 **(b) A marijuana wholesaler that holds a license issued under ORS 475C.093; or**

40 **(c) A distributor.**

41 **(7)(a) Except as provided in paragraph (b) of this subsection, a hemp retailer may sell,**
 42 **transfer or deliver cannabinoid hemp commodities or products only if the requirements of**
 43 **subsection (2) of this section are met and only to a consumer.**

44 **(b) A hemp retailer may return cannabinoid hemp commodities or products to the**
 45 **marijuana processor, marijuana wholesaler or distributor from which the cannabinoid hemp**

1 **commodities or products were received.**

2 [(5)] (8) This section does not apply to the retail sale of [*industrial*] **cannabinoid** hemp com-
 3 modities or products by a marijuana retailer, as defined in ORS 475C.009, that holds a license issued
 4 under ORS 475C.097.

5 **SECTION 47.** (1) Sections 2 to 4 of this 2023 Act and the amendments to ORS 475C.009,
 6 475C.017, 475C.021, 475C.025, 475C.037, 475C.057, 475C.085, 475C.117, 475C.177, 475C.185, 475C.209,
 7 475C.233, 475C.237, 475C.265, 475C.269, 475C.273, 475C.301, 475C.409, 475C.449, 475C.469, 475C.481,
 8 475C.501, 475C.513, 475C.540, 475C.544, 475C.548, 475C.560, 475C.582, 475C.590, 475C.600, 475C.604,
 9 475C.608, 475C.612, 475C.616, 475C.648, 571.269, 571.294, 571.312, 571.330, 571.336, 571.337 and
 10 571.339 by sections 5 to 46 of this 2023 Act become operative on July 1, 2025.

11 (2) The Oregon Health Authority, the Oregon Liquor and Cannabis Commission and the
 12 State Department of Agriculture may take any action before the operative date specified in
 13 subsection (1) of this section that is necessary to enable the authority, commission and de-
 14 partment to exercise, on and after the operative date specified in subsection (1) of this sec-
 15 tion, all of the duties, functions and powers conferred on the authority, commission and
 16 department by sections 2 to 4 of this 2023 Act and the amendments to ORS 475C.009, 475C.017,
 17 475C.021, 475C.025, 475C.037, 475C.057, 475C.085, 475C.117, 475C.177, 475C.185, 475C.209, 475C.233,
 18 475C.237, 475C.265, 475C.269, 475C.273, 475C.301, 475C.409, 475C.449, 475C.469, 475C.481, 475C.501,
 19 475C.513, 475C.540, 475C.544, 475C.548, 475C.560, 475C.582, 475C.590, 475C.600, 475C.604, 475C.608,
 20 475C.612, 475C.616, 475C.648, 571.269, 571.294, 571.312, 571.330, 571.336, 571.337 and 571.339 by
 21 sections 5 to 46 of this 2023 Act.

22 **SECTION 48.** This 2023 Act takes effect on the 91st day after the date on which the 2023
 23 regular session of the Eighty-second Legislative Assembly adjourns sine die.

24