

## Enrolled House Bill 3724

Sponsored by Representative LIVELY; Representatives DOBSON, JAVADI, OSBORNE, WATANABE, WRIGHT, YUNKER, Senators PATTERSON, REYNOLDS, SMITH DB, SOLLMAN

CHAPTER .....

AN ACT

Relating to cannabis; creating new provisions; amending ORS 475C.017 and 475C.612; and prescribing an effective date.

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

**SECTION 1.** ORS 475C.017 is amended to read:

475C.017. (1) The Oregon Liquor and Cannabis Commission has the duties, functions and powers specified in ORS 475C.005 to 475C.525 and 475C.540 to 475C.586 and the powers necessary or proper to enable the commission to carry out the commission's duties, functions and powers under ORS 475C.005 to 475C.525 and 475C.540 to 475C.586. The jurisdiction, supervision, duties, functions and powers of the commission extend to any person that produces, processes, transports, delivers, sells, purchases or tests a marijuana item in this state. The commission may sue and be sued.

(2) The duties, functions and powers of the commission specified in ORS 475C.005 to 475C.525 and 475C.540 to 475C.586 include the following:

(a) To regulate the production, processing, transportation, delivery, sale, purchase and testing of marijuana items in accordance with the provisions of ORS 475C.005 to 475C.525 and 475C.540 to 475C.586.

(b) To issue, renew, suspend, revoke or refuse to issue or renew licenses for the production, processing, sale or testing of marijuana items, or other licenses related to the consumption of marijuana items, and to permit, in the commission's discretion, the transfer of a license between persons.

(c) To adopt, amend or repeal rules as necessary to carry out the intent and provisions of ORS 475C.005 to 475C.525 and 475C.540 to 475C.586, including rules that the commission considers necessary to protect the public health and safety.

(d) To exercise all powers incidental, convenient or necessary to enable the commission to administer or carry out the provisions of ORS 475C.005 to 475C.525 and 475C.540 to 475C.586 or any other law of this state that charges the commission with a duty, function or power related to marijuana. Powers described in this paragraph include, but are not limited to:

- (A) Issuing subpoenas;
- (B) Compelling the attendance of witnesses;
- (C) Administering oaths;
- (D) Certifying official acts;
- (E) Taking depositions as provided by law;

(F) Compelling the production of books, payrolls, accounts, papers, records, documents and testimony; and

(G) Establishing fees in addition to the application, licensing and renewal fees described in ORS 475C.065, 475C.085, 475C.093, 475C.097 and 475C.548, provided that any fee established by the commission is reasonably calculated not to exceed the cost of the activity for which the fee is charged.

(e) To adopt rules regulating and prohibiting advertising marijuana items in a manner **that**:

(A) *[That is appealing to minors]* **Is likely to cause minors to unlawfully possess or consume marijuana or marijuana items, in order to prevent the unlawful possession or consumption of marijuana or marijuana items by minors;**

(B) *[That]* Promotes excessive use;

(C) *[That]* Promotes illegal activity; or

(D) *[That]* Otherwise presents a significant risk to public health and safety.

(f) To regulate the use of marijuana items for other purposes as deemed necessary or appropriate by the commission.

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

(h) To regulate the processing, transportation, delivery, sale, purchase and testing of artificially derived cannabinoids in accordance with the provisions of ORS 475C.005 to 475C.525 and 475C.540 to 475C.586.

(i) To regulate the testing and labeling of inhalant delivery systems, as defined in ORS 431A.175, that include industrial hemp-derived vapor items, as defined in ORS 475C.540, that are sold in this state by any person.

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

**SECTION 2.** ORS 475C.612 is amended to read:

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

(a) Ensuring that cannabinoid concentrates and extracts, cannabinoid edibles and other cannabinoid products are:

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

(B) Not marketed in a manner that:

(i) Is untruthful or misleading;

(ii) *[Is attractive to minors]* **Is likely to cause minors to unlawfully possess or consume cannabinoid concentrates, cannabinoid extracts, cannabinoid edibles or other cannabinoid products, in order to prevent the unlawful possession or consumption of cannabinoid products by minors;** or

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

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

(A) Is untruthful and misleading;

(B) *[Is attractive to minors]* **Is likely to cause minors to unlawfully possess or consume usable marijuana, in order to prevent the unlawful possession or consumption of usable marijuana by minors;** or

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

(c) **In order to prevent the unlawful possession or consumption of cannabinoid edibles and other cannabinoid products by minors,** ensuring that cannabinoid edibles and other cannabinoid products are not packaged in a manner that *[is attractive to minors]* **is likely to cause minors to unlawfully possess or consume cannabinoid edibles and other cannabinoid products.**

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

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

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

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

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

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

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

(e) **In order to prevent the unlawful possession or consumption of marijuana items by minors, shall describe, using objective criteria, packaging that is likely to cause minors to unlawfully possess or consume marijuana items. The objective criteria must include, but is not limited to, prohibiting packaging that uses imagery or characters primarily associated with minors when such associations are likely to result in minors unlawfully possessing or consuming marijuana items.**

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

**SECTION 3. (1) The amendments to ORS 475C.017 and 475C.612 by sections 1 and 2 of this 2025 Act become operative on January 1, 2026.**

**(2) The Oregon Liquor and Cannabis Commission may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the commission to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the commission by the amendments to ORS 475C.017 and 475C.612 by sections 1 and 2 of this 2025 Act.**

**SECTION 4. This 2025 Act takes effect on the 91st day after the date on which the 2025 regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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**Passed by House April 8, 2025**

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Timothy G. Sekerak, Chief Clerk of House

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Julie Fahey, Speaker of House

**Passed by Senate May 1, 2025**

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Rob Wagner, President of Senate

**Received by Governor:**

.....M.,....., 2025

**Approved:**

.....M.,....., 2025

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Tina Kotek, Governor

**Filed in Office of Secretary of State:**

.....M.,....., 2025

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Tobias Read, Secretary of State