

SB 556-3
(LC 844)
4/7/25 (SCT/ps)

Requested by Senator PROZANSKI

**PROPOSED AMENDMENTS TO
SENATE BILL 556**

1 On page 1 of the printed bill, line 2, after “ORS” delete the rest of the
2 line and delete line 3 and insert “475C.009, 475C.065, 475C.085, 475C.093,
3 475C.177, 475C.209, 475C.229, 475C.257, 475C.473 and 475C.477; and prescribing
4 an effective date.”.

5 Delete lines 5 through 24 and delete pages 2 through 7 and insert:

6 **“SECTION 1. Sections 2 to 4 of this 2025 Act are added to and made**
7 **a part of ORS 475C.005 to 475C.525.**

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

11 **“(a) Uses video analytics for monitoring purposes;**

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

14 **“(c) Allows for searching and auditing of the video required by the**
15 **Oregon Liquor and Cannabis Commission by rule to be stored through**
16 **the system and searching and auditing of the system’s log, including**
17 **for changes to the motion detection sensitivity settings and camera**
18 **activity.**

19 **“(2) A licensee may be required to store only those recordings gen-**
20 **erated by a motion detection camera system described in subsection**
21 **(1) of this section created during the intervals in which the camera**

1 system is activated by motion.

2 “(3) The commission may adopt rules to carry out this section, in-
3 cluding but not limited to rules to:

4 “(a) Establish standards to govern the sensitivity settings and trig-
5 gering thresholds for motion detection camera systems described in
6 subsection (1) of this section; and

7 “(b) Require a minimum duration for storing recordings generated
8 before and after a camera system is activated by motion.

9 “SECTION 3. (1) A licensee that receives marijuana items trans-
10 ferred from another licensee shall:

11 “(a) Upon receipt of the marijuana items, record the receipt in the
12 system developed and maintained under ORS 475C.177; and

13 “(b) Subject to subsection (2) of this section, within two days of the
14 date of receipt, reconcile the licensee’s inventory of marijuana items.

15 “(2) The Oregon Liquor and Cannabis Commission may adopt rules
16 to establish an interval longer than two days at which a licensee is
17 required to reconcile the licensee’s inventory of marijuana items.

18 “SECTION 4. (1) The Oregon Liquor and Cannabis Commission may
19 adopt rules to establish the maximum concentration of intoxicating
20 cannabinoids or intoxicating artificially derived cannabinoids allowed
21 in nonintoxicating cannabis-derived substances. The maximum con-
22 centration established by the commission under this section must be
23 designed to ensure that a nonintoxicating cannabis-derived substance
24 does not produce a psychomotor impairment or otherwise cause an
25 intoxicating effect.

26 “(2) The commission may not establish a maximum concentration
27 described in subsection (1) of this section that is zero percent.

28 “SECTION 5. ORS 475C.009 is amended to read:

29 “475C.009. As used in ORS 475C.005 to 475C.525:

30 “(1) ‘Adult use cannabinoid’ includes, but is not limited to,

1 tetrahydrocannabinols, tetrahydrocannabinolic acids that are artificially or
2 naturally derived, delta-8-tetrahydrocannabinol, delta-9-tetrahydrocannabinol,
3 the optical isomers of delta-8-tetrahydrocannabinol or
4 delta-9-tetrahydrocannabinol and any artificially derived cannabinoid that is
5 reasonably determined to have an intoxicating effect.

6 “(2) ‘Adult use cannabis item’ means:

7 “(a) A marijuana item; or

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

9 “(A) The concentration of adult use cannabinoids established by the
10 Oregon Liquor and Cannabis Commission, in consultation with the Oregon
11 Health Authority and the State Department of Agriculture, by rule; or

12 “(B) The greater of:

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

15 “(ii) The concentration of total delta-9-tetrahydrocannabinol allowed un-
16 der federal law.

17 “(3)(a) ‘Artificially derived cannabinoid’ means a chemical substance that
18 is created by a chemical reaction that changes the molecular structure of
19 any chemical substance derived from the plant Cannabis family Cannabaceae.

20 “(b) ‘Artificially derived cannabinoid’ does not include:

21 “(A) A naturally occurring chemical substance that is separated from the
22 plant Cannabis family Cannabaceae by a chemical or mechanical extraction
23 process;

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

26 “(C) Any other chemical substance identified by the commission, in con-
27 sultation with the authority and the department, by rule.

28 “(4) ‘Cannabinoid’ means any of the chemical compounds that are the
29 active constituents derived from marijuana.

30 “(5) ‘Cannabinoid concentrate’ means a substance obtained by separating

1 cannabinoids from marijuana by:

2 “(a) A mechanical extraction process;

3 “(b) A chemical extraction process using a nonhydrocarbon-based solvent,
4 such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl al-
5 cohol or ethanol;

6 “(c) A chemical extraction process using carbon dioxide, provided that the
7 process does not involve the use of high heat or pressure; or

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

10 “(6) ‘Cannabinoid edible’ means food or potable liquid into which a
11 cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or
12 flowers have been incorporated.

13 “(7) ‘Cannabinoid extract’ means a substance obtained by separating
14 cannabinoids from marijuana by:

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

17 “(b) A chemical extraction process using carbon dioxide, if the process
18 uses high heat or pressure; or

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

21 “(8)(a) ‘Cannabinoid product’ means a cannabinoid edible and any other
22 product intended for human consumption or use, including a product in-
23 tended to be applied to the skin or hair, that contains cannabinoids or dried
24 marijuana leaves or flowers.

25 “(b) ‘Cannabinoid product’ does not include:

26 “(A) Usable marijuana by itself;

27 “(B) A cannabinoid concentrate by itself;

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

29 “(D) Industrial hemp.

30 “(9) ‘Consumer’ means a person who purchases, acquires, owns, holds or

1 uses marijuana items other than for the purpose of resale.

2 “(10) ‘Deliver’ means the actual, constructive or attempted transfer from
3 one person to another of a marijuana item, whether or not there is an agency
4 relationship.

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

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

11 “(13) ‘Designated primary caregiver’ has the meaning given that term in
12 ORS 475C.777.

13 “(14)(a) ‘Financial consideration’ means value that is given or received
14 either directly or indirectly through sales, barter, trade, fees, charges, dues,
15 contributions or donations.

16 “(b) ‘Financial consideration’ does not include marijuana, cannabinoid
17 products or cannabinoid concentrates that are delivered within the scope of
18 and in compliance with ORS 475C.305.

19 “(15) ‘Homegrown’ means grown by a person 21 years of age or older for
20 noncommercial purposes.

21 “(16) ‘Household’ means a housing unit and any place in or around a
22 housing unit at which the occupants of the housing unit are producing,
23 processing, possessing or storing homegrown marijuana, cannabinoid pro-
24 ducts, cannabinoid concentrates or cannabinoid extracts.

25 “(17) ‘Housing unit’ means a house, an apartment or a mobile home, or
26 a group of rooms or a single room that is occupied as separate living quar-
27 ters, in which the occupants live and eat separately from any other persons
28 in the building and that has direct access from the outside of the building
29 or through a common hall.

30 “(18) ‘Immature marijuana plant’ means a marijuana plant that is not

1 flowering.

2 “(19) ‘Industrial hemp’ has the meaning given that term in ORS 571.269.

3 “(20) ‘Licensee’ means a person that holds a license issued under ORS
4 475C.065, 475C.085, 475C.093, 475C.097 or 475C.548.

5 “(21) ‘Licensee representative’ means an owner, director, officer, manager,
6 employee, agent or other representative of a licensee, to the extent that the
7 person acts in a representative capacity.

8 “(22)(a) ‘Manufacture’ means producing, propagating, preparing, com-
9 pounding, converting or processing a marijuana item, either directly or in-
10 directly, by extracting from substances of natural origin.

11 “(b) ‘Manufacture’ includes any packaging or repackaging of a marijuana
12 item or the labeling or relabeling of a container containing a marijuana
13 item.

14 “(23)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae, any
15 part of the plant Cannabis family Cannabaceae and marijuana seeds.

16 “(b) ‘Marijuana’ does not include:

17 “(A) Industrial hemp; or

18 “(B) Prescription drugs, as that term is defined in ORS 689.005, including
19 those containing one or more cannabinoids, that are approved by the United
20 States Food and Drug Administration and dispensed by a pharmacy, as de-
21 fined in ORS 689.005.

22 “(24) ‘Marijuana flowers’ means the flowers of the plant genus Cannabis
23 within the plant family Cannabaceae.

24 “(25)(a) ‘Marijuana items’ means marijuana, cannabinoid products,
25 cannabinoid concentrates and cannabinoid extracts.

26 **“(b) ‘Marijuana items’ does not include nonintoxicating cannabis-**
27 **derived substances.**

28 “(26) ‘Marijuana leaves’ means the leaves of the plant genus Cannabis
29 within the plant family Cannabaceae.

30 “(27) ‘Marijuana processor’ means:

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

2 “(b) A person that holds a license issued under ORS 475C.085 and pro-
3 cesses industrial hemp commodities or products pursuant to ORS 571.336.

4 “(28) ‘Marijuana producer’ means a person that produces marijuana in
5 this state.

6 “(29) ‘Marijuana retailer’ means a person that sells marijuana items to a
7 consumer in this state.

8 “(30)(a) ‘Marijuana seeds’ means the seeds of the plant Cannabis family
9 Cannabaceae.

10 “(b) ‘Marijuana seeds’ does not include the seeds of industrial hemp.

11 “(31) ‘Marijuana wholesaler’ means a person that purchases marijuana
12 items in this state for resale to a person other than a consumer.

13 “(32) ‘Mature marijuana plant’ means a marijuana plant that is not an
14 immature marijuana plant.

15 “(33) ‘Medical grade cannabinoid product, cannabinoid concentrate or
16 cannabinoid extract’ means a cannabinoid product, cannabinoid concentrate
17 or cannabinoid extract that has a concentration of adult use cannabinoids
18 that is permitted under ORS 475C.620 in a single serving of the cannabinoid
19 product, cannabinoid concentrate or cannabinoid extract for consumers who
20 hold a valid registry identification card issued under ORS 475C.783.

21 “(34) ‘Medical purpose’ means a purpose related to using usable
22 marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid
23 extracts to mitigate the symptoms or effects of a debilitating medical condi-
24 tion, as defined in ORS 475C.777.

25 “(35) ‘Noncommercial’ means not dependent or conditioned upon the pro-
26 vision or receipt of financial consideration.

27 “(36)(a) **‘Nonintoxicating cannabis-derived substance’ means a**
28 **compound, extract or derivative of the plant Cannabis sativa that:**

29 **“(A) Is produced, processed or transferred by a licensee;**

30 **“(B) Does not produce psychomotor impairment or intoxicating ef-**

fect, as determined by the commission; and

“(C) Subject to rules adopted by the commission under section 4 of this 2025 Act, is not more than the total delta-9-THC concentration allowed by rules adopted under ORS 571.260 to 571.348 for industrial hemp commodities or products.

“(b) ‘Nonintoxicating cannabis-derived substance’ does not include:

“(A) A substance that exceeds the total delta-9-THC concentration allowed under ORS 571.260 to 571.348 for industrial hemp commodities or products; or

“(B) A cannabinoid or artificially derived cannabinoid that the commission reasonably determines has an intoxicating effect.

“[(36)(a)] (37)(a) ‘Premises’ includes the following areas of a location licensed under ORS 475C.005 to 475C.525 or 475C.548:

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

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

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

“(b) ‘Premises’ does not include a primary residence.

“[(37)(a)] (38)(a) ‘Processes’ means the processing, compounding or conversion of:

“(A) Marijuana into cannabinoid products, cannabinoid concentrates or cannabinoid extracts; or

“(B) Pursuant to ORS 571.336, industrial hemp or industrial hemp commodities or products into industrial hemp commodities or products that contain cannabinoids and are intended for human consumption or use.

1 “(b) ‘Processes’ does not include packaging or labeling.

2 “[~~(38)(a)~~] **(39)(a)** ‘Produces’ means the manufacture, planting, cultivation,
3 growing or harvesting of marijuana.

4 “(b) ‘Produces’ does not include:

5 “(A) The drying of marijuana by a marijuana processor, if the marijuana
6 processor is not otherwise producing marijuana; or

7 “(B) The cultivation and growing of an immature marijuana plant by a
8 marijuana processor, marijuana wholesaler or marijuana retailer if the
9 marijuana processor, marijuana wholesaler or marijuana retailer purchased
10 or otherwise received the plant from a licensed marijuana producer.

11 “[~~(39)~~] **(40)** ‘Propagate’ means to grow immature marijuana plants or to
12 breed or produce marijuana seeds.

13 “[~~(40)~~] **(41)** ‘Public place’ means a place to which the general public has
14 access and includes, but is not limited to, hallways, lobbies and other parts
15 of apartment houses and hotels not constituting rooms or apartments de-
16 signed for actual residence, and highways, streets, schools, places of
17 amusement, parks, playgrounds and areas used in connection with public
18 passenger transportation.

19 “[~~(41)~~] **(42)** ‘Registry identification cardholder’ has the meaning given that
20 term in ORS 475C.777.

21 “[~~(42)~~] **(43)** ‘Total delta-9-tetrahydrocannabinol’ or ‘total delta-9-THC’
22 means the sum of the concentration or mass of delta-9-THCA multiplied by
23 0.877 plus the concentration or mass of delta-9-THC.

24 “[~~(43)(a)~~] **(44)(a)** ‘Usable marijuana’ means the dried leaves and flowers
25 of marijuana.

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

27 “(A) Marijuana seeds;

28 “(B) The stalks and roots of marijuana; or

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

1 **“SECTION 6.** ORS 475C.065 is amended to read:

2 “475C.065. (1) The production of marijuana is subject to regulation by the
3 Oregon Liquor and Cannabis Commission.

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

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

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

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

11 “(3)(a) If the applicant is not the owner of the premises at which the
12 marijuana is to be produced, the applicant shall submit to the commission
13 signed informed consent from the owner of the premises to produce
14 marijuana at the premises.

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

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

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

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

22 “(c) Require marijuana produced by marijuana producers to be tested in
23 accordance with ORS 475C.544;

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

29 “(e) Allow a marijuana producer registered under ORS 475C.137 to
30 produce marijuana for medical purposes in the same manner that rules

1 adopted under ORS 475C.005 to 475C.525 allow a marijuana producer to
2 produce marijuana for nonmedical purposes, excepting those circumstances
3 where differentiating between the production of marijuana for medical pur-
4 poses and the production of marijuana for nonmedical purposes is necessary
5 to protect the public health and safety;

6 “(f) Require **a** marijuana [*producers*] **producer** to submit, at the time of
7 applying for or renewing a license under ORS 475C.033, a report describing
8 the applicant’s or licensee’s electrical or water usage;

9 “(g) Require a marijuana producer to meet any public health and safety
10 standards and industry best practices established by the commission by rule
11 related to the production of marijuana or the propagation of immature
12 marijuana plants and marijuana seeds; and

13 “(h) Support marijuana plant diversity by allowing a qualified marijuana
14 producer to receive marijuana seeds from any source in this state, but not
15 more than a total of 200 marijuana seeds per month from all sources com-
16 bined.

17 “**(5) The commission shall adopt rules to establish an immature**
18 **cannabis plant transfer endorsement that the commission may issue**
19 **to a marijuana producer licensed under this section. Rules adopted**
20 **under this subsection:**

21 “**(a) Must establish a process and fees for the application, issuance**
22 **and renewal of an endorsement under this subsection, and a process**
23 **to revoke an endorsement issued under this subsection.**

24 “**(b) Must allow a marijuana producer that holds an endorsement**
25 **issued under this subsection to:**

26 “**(A) Sell or otherwise transfer cannabis sativa seeds and immature**
27 **cannabis sativa plants that are under 24 inches in height to a person**
28 **located outside of this state, without requiring that the plants or seeds**
29 **be tested or sampled prior to sale or other transfer; and**

30 “**(B) Receive cannabis sativa seeds and immature cannabis sativa**

1 plants that are under 24 inches in height from a person located outside
2 of this state, without requiring that the plants or seeds be tested prior
3 to receipt.

4 “(c) Must support marijuana plant diversity by allowing a
5 marijuana producer that holds an endorsement issued under this sub-
6 section to receive up to 25 immature cannabis sativa plants per month
7 from any legal source in this state, including but not limited to a
8 person licensed under ORS 571.281, registered under ORS 475C.770 to
9 475C.919 or who produces homegrown cannabis plants in compliance
10 with ORS 475C.305.

11 “[5] (6) Fees adopted under [subsection (4)(b) of] this section:

12 “(a) May not exceed, together with other fees collected under ORS
13 475C.005 to 475C.525, the cost of administering ORS 475C.005 to 475C.525;

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

17 “(c) Shall be deposited in the Marijuana Control and Regulation Fund
18 established under ORS 475C.297.

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

20 “475C.085. (1) The processing of marijuana items is subject to regulation
21 by the Oregon Liquor and Cannabis Commission.

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

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

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

27 “(c) If the marijuana processor processes marijuana extracts or industrial
28 hemp extracts, as defined in ORS 571.269, may not be located in an area
29 zoned exclusively for residential use; and

30 “(d) Must meet the requirements of any rule adopted by the commission

1 under subsection (3) of this section.

2 “(3) The commission shall adopt rules that:

3 “(a) Require a marijuana processor to annually renew a license issued
4 under this section;

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

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

9 “(d) Require industrial hemp commodities and products processed by a
10 marijuana processor to meet any requirements for industrial hemp commod-
11 ities or products established under ORS 571.260 to 571.348 or rules adopted
12 under ORS 571.260 to 571.348;

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

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

27 “(A) Cannabinoid edibles;

28 “(B) Cannabinoid concentrates;

29 “(C) Cannabinoid extracts; and

30 “(D) Any other type of cannabinoid product or industrial hemp commodity

or product identified by the commission by rule[.]; and

“(g) Allow a marijuana processor to:

“(A) Process nonintoxicating cannabis-derived substances and items containing nonintoxicating cannabis-derived substances; and

“(B) Transfer the nonintoxicating cannabis-derived substance, or item that is not a marijuana item and that contains a nonintoxicating cannabis-derived substance, to any person or entity in this state or outside of this state, including persons or entities that are not licensed under ORS 475C.005 to 475C.525 or 475C.548, 475C.770 to 475C.919 or 571.260 to 571.348, subject to ORS 571.260 to 571.348 and rules adopted pursuant to ORS 571.260 to 571.348.

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

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

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

“SECTION 8. ORS 475C.093 is amended to read:

“475C.093. (1) The wholesale sale of marijuana items is subject to regulation by the Oregon Liquor and Cannabis Commission.

“(2) A marijuana wholesaler must have a wholesale license issued by the commission for the premises at which marijuana items are received, stored or delivered. To hold a wholesale license under this section, a marijuana wholesaler:

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

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

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

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

“(3) The commission shall adopt rules that:

1 “(a) Require a marijuana wholesaler to annually renew a license issued
2 under this section;

3 “(b) Establish application, licensure and renewal of licensure fees for
4 marijuana wholesalers;

5 “(c) Require marijuana items received, stored or delivered by a marijuana
6 wholesaler to be tested in accordance with ORS 475C.544;

7 “(d) Allow a marijuana wholesaler registered under ORS 475C.145 to sell
8 medical grade cannabinoid products, cannabinoid concentrates and
9 cannabinoid extracts at wholesale in the same manner that rules adopted
10 under ORS 475C.005 to 475C.525 allow a marijuana wholesaler to sell general
11 use cannabinoid products, cannabinoid concentrates and cannabinoid ex-
12 tracts at wholesale, excepting those circumstances where differentiating be-
13 tween the sale of medical grade cannabinoid products, cannabinoid
14 concentrates and cannabinoid extracts and the sale of general use
15 cannabinoid products, cannabinoid concentrates and cannabinoid extracts is
16 necessary to protect the public health and safety; *[and]*

17 “(e) Require a marijuana wholesaler to meet any public health and safety
18 standards and industry best practices established by the commission by
19 rule[.]; **and**

20 **“(f) Allow a marijuana processor to:**

21 **“(A) Process nonintoxicating cannabis-derived substances and items**
22 **containing nonintoxicating cannabis-derived substances; and**

23 **“(B) Transfer the nonintoxicating cannabis-derived substance, or**
24 **item containing a nonintoxicating cannabis-derived substance, to any**
25 **person or entity in this state or outside of this state, including persons**
26 **or entities that are not licensed under ORS 475C.005 to 475C.525 or**
27 **475C.548, 475C.770 to 475C.919 or 571.260 to 571.348, subject to ORS**
28 **571.260 to 571.348 and rules adopted pursuant to ORS 571.260 to 571.348.**

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

30 “(a) May not exceed, together with other fees collected under ORS

1 475C.005 to 475C.525, the cost of administering ORS 475C.005 to 475C.525; and

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

4 **“SECTION 9.** ORS 475C.177 is amended to read:

5 “475C.177. (1) The Oregon Liquor and Cannabis Commission shall develop
6 and maintain a system for tracking the transfer of marijuana items between
7 premises for which licenses have been issued under ORS 475C.005 to 475C.525
8 or 475C.548. **The commission may contract with a third party to develop
9 and maintain the system described in this section. The commission
10 shall require a licensee to use the system developed and maintained
11 under this section.**

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

14 “(a) Preventing the **inversion or** diversion of marijuana items [*to crimi-*
15 *nal enterprises, gangs, cartels and other states*] **into or from the activities
16 allowed by ORS 475C.005 to 475C.525 and 475C.548;**

17 “(b) [*Preventing persons from substituting or tampering with marijuana*
18 *items*] **Preventing unauthorized substitution or adulteration of, or
19 tampering with, marijuana items;**

20 “(c) Ensuring an accurate accounting of the production, processing and
21 sale of marijuana items;

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

23 “(e) Ensuring compliance with ORS 475C.005 to 475C.525 and 475C.540 to
24 475C.586, rules adopted under ORS 475C.005 to 475C.525 and 475C.540 to
25 475C.586 and any other law of this state that charges the commission with
26 a duty, function or power related to marijuana.

27 “(3) The system developed and maintained under this section must [*be*
28 *capable of tracking*] **enable the commission to track**, at a minimum:

29 “(a) The propagation of immature marijuana plants and the production
30 of marijuana by a marijuana producer;

1 “(b) The processing of marijuana by a marijuana processor;

2 “(c) The receiving, storing and delivering of marijuana items by a
3 marijuana wholesaler;

4 “(d) The sale of marijuana items by a marijuana retailer to a consumer;

5 “(e) The sale and purchase of marijuana items between licensees, as per-
6 mitted by ORS 475C.005 to 475C.525;

7 “(f) The transfer of marijuana items between premises for which licenses
8 have been issued under ORS 475C.005 to 475C.525 or 475C.548; and

9 “(g) Any other information that the commission determines is reasonably
10 necessary to accomplish the duties, functions and powers of the commission
11 under ORS 475C.005 to 475C.525 and 475C.540 to 475C.586.

12 **“(4) In developing and maintaining, or in contracting with a third**
13 **party for the development and maintenance of, a system described in**
14 **this section, the commission shall prioritize systems that:**

15 **“(a) Minimize financial costs to licensees, including but not limited**
16 **to per plant or per transaction fees, required equipment and ongoing**
17 **subscription of usage fees;**

18 **“(b) Provide technological flexibility and adaptability, including**
19 **open application programming interfaces or other commonly accepted**
20 **interoperability standards that allow licensees to integrate third party**
21 **software platforms for data entry and retrieval;**

22 **“(c) Remain accessible to licensees with minimal downtime to en-**
23 **sure that licensees are able at all times to comply with the require-**
24 **ments of this section; and**

25 **“(d) Reduce reliance on plant tags and other physical identifiers,**
26 **particularly for immature marijuana plants and mature marijuana**
27 **plants prior to harvest, unless the commission determines that no**
28 **feasible alternative to physical identifiers is available at a reasonable**
29 **cost.**

30 **“(5)(a) If the commission contracts with a third party to develop**

1 and maintain the system described in this section, the commission
2 may, in evaluating proposals for the system:

3 “(A) Assign relative weight to each priority listed in subsection (4)
4 of this section and balance minimizing costs to licensees with effective
5 and accessible tracking;

6 “(B) Consider whether any proposed feature or functionality would
7 impose unreasonable burdens on licensees, including but not limited
8 to financial costs; and

9 “(C) Give preferences to proposals for systems that demonstrate
10 innovative features including enhanced data analytics capabilities,
11 mobile access and digital tracking options if those features do not re-
12 sult in significantly increased burdens on licensees.

13 “(b) Nothing in this subsection requires the commission to award
14 a contract based solely on the proposed cost of the system if the
15 commission determines that a different proposed system would better
16 accomplish the priorities listed in subsection (4) of this section.

17 “(6)(a) The system developed and maintained under this section
18 may require the use of plant tags or other physical identifiers to be
19 used for tracking immature marijuana plants or mature marijuana
20 plants prior to harvest only if the commission determines that no
21 system that meets the priorities listed in subsection (4) of this section
22 is available at a reasonable cost.

23 “(b) If the system developed and maintained under this section re-
24 quires the use of physical tags or other physical identifier to be at-
25 tached to a marijuana plant or marijuana plant batch for the purposes
26 of meeting the tracking requirements established under ORS 475C.005
27 to 475C.525, the commission:

28 “(A) Shall minimize, to the greatest extent possible, the marijuana
29 plant and marijuana plant batch tracking costs imposed on licensees;

30 “(B) Shall allow marijuana plant batch tagging of immature

1 marijuana plants and mature marijuana plants in batches of up to 500
2 immature marijuana plants or mature marijuana plants per tag, at the
3 discretion of the licensee;

4 “(C) Shall prioritize a system that minimizes or eliminates the use
5 of plastic or nonrecycleable materials; and

6 “(D) May not require that physical tags or other physical identifiers
7 be physically attached to a marijuana plant prior to harvest if the
8 physical tag or other physical identifier can otherwise be clearly as-
9 sociated with a marijuana plant or marijuana plant batch.

10 “(c) If the commission enters into a contract with a third party for
11 the development and maintenance of a system described in this sec-
12 tion, the term of the contract may not exceed five years. At the ter-
13 mination of a contract, the commission shall evaluate alternative
14 systems and, after making the determination described in paragraph
15 (a) of this subsection, may renew the contract or enter into a new
16 contract for a similar system.

17 “**SECTION 10.** ORS 475C.209, as amended by section 31, chapter 16,
18 Oregon Laws 2024, is amended to read:

19 “475C.209. (1) In order to transport marijuana items, a licensee must cre-
20 ate a manifest that contains the following information:

21 “(a) The name of the driver of the transport vehicle;

22 “(b) Identifying information for the driver’s permit or temporary permit
23 issued under ORS 475C.273;

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

25 “(d) The name of the licensee from which the [*marijuana or*] marijuana
26 items are being transported;

27 “(e) A detailed inventory of the [*marijuana and*] marijuana items being
28 transported;

29 “(f) The location of any overnight stop during transportation, and the
30 estimated time of the overnight stop; and

1 “(g) The destination of the [*marijuana and*] marijuana items being trans-
2 ported.

3 “(2) The manifest created under this section may be in digital or
4 printed form. A licensee may contract with a third party platform to
5 create and maintain a manifest that integrates in real time with the
6 system developed and maintained under ORS 475C.177.

7 “[2)] (3) Except as provided in subsection (1)(f) of this section, a manifest
8 created under this section is not required to include transport route infor-
9 mation.

10 “[3)] (4) The transport driver shall carry in the transport vehicle a copy
11 of the manifest and be able to produce a copy of the manifest, regardless
12 of whether the manifest is in print or digital form, at any point in time
13 and at any location.

14 “(5) A licensee, or a transport driver at the direction of the licensee,
15 may edit a manifest created under this section after the transport ve-
16 hicle leaves the originating premises to reflect changes to the trans-
17 port including, but not limited to:

18 “(a) Adjusted orders and rejections of marijuana items upon deliv-
19 ery to the originally intended recipient;

20 “(b) Additional orders received during transit that were not in-
21 cluded in the original manifest; and

22 “(c) Modifications to the transport route, including but not limited
23 to modifications to accommodate in-transit sales, changes in delivery
24 schedules and road conditions.

25 “(6) The commission may adopt rules to allow a transport driver to
26 transfer marijuana items from one transport vehicle to another
27 transport vehicle if the commission determines that allowing the
28 transfer complies with the tracking requirements of ORS 475C.177 and
29 prevents diversion, inversion and unauthorized tampering of
30 marijuana items. The rules adopted under this subsection may include

1 but are not limited to rules that require:

2 “(a) The transfer to occur at a premises for which a license is issued
3 under ORS 475C.065, 475C.085, 475C.093 or 475C.097 or other location
4 approved by the Oregon Liquor and Cannabis Commission by rule;

5 “(b) Each transport vehicle to meet the requirements established
6 by the commission by rule;

7 “(c) The transfer to be reflected in the manifest carried in each
8 transport vehicle; and

9 “(d) Photographic proof of the transfer of marijuana items between
10 transport vehicles, including requirements for the timing, clarity and
11 content of any photographs.

12 “(7)(a) Subject to rules adopted under paragraph (b) of this sub-
13 section, the transport and transfer of marijuana items, and the return
14 of any marijuana items to the originating premises, must be completed
15 within 96 hours of the date on which the original transport vehicle
16 departed the originating premises.

17 “(b) The commission may adopt rules to allow more than 96 hours
18 for completion of the transport or return of marijuana items if the
19 commission determines that allowing a longer time period complies
20 with the tracking requirements of ORS 475C.177 and prevents diver-
21 sion, inversion and unauthorized tampering of marijuana items.

22 “(8) The commission may not:

23 “(a) Impose a size or weight restriction on the amount of marijuana
24 items that may be transported at one time by a licensee.

25 “(b) Require that a manifest be created under this section a certain
26 number of hours or minutes in advance of the beginning of transport
27 so long as a manifest is created prior to a transport vehicle departing
28 the originating premises.

29 “(c) Require that a transfer described in subsection (6) of this sec-
30 tion occur inside a building on a premises described in subsection

1 **(6)(a) of this section.**

2 **“(9) The commission may adopt rules to carry out this section, in-**
3 **cluding but not limited to rules to:**

4 **“(a) Require licensees to maintain an auditable record that shows**
5 **all changes made to a manifest;**

6 **“(b) Establish reporting and tracking requirements for changes**
7 **made to a manifest;**

8 **“(c) Specify the information that must be included in a manifest;**

9 **“(d) Establish a process for editing a manifest; and**

10 **“(e) Require photographic proof that a marijuana item in transit is**
11 **transferred between transport vehicles, including requirements for**
12 **timing, clarity and content of photographs.**

13 **“SECTION 11. ORS 475C.229 is amended to read:**

14 **“475C.229. (1) For purposes of this section:**

15 **“(a) ‘Export’ includes placing a marijuana item in any mode of transpor-**
16 **tation for hire, such as luggage, mail or parcel delivery, even if the trans-**
17 **portation of the marijuana item is intercepted prior to the marijuana item**
18 **leaving this state.**

19 **“(b)(A) ‘Marijuana item’ includes an industrial hemp commodity or prod-**
20 **uct that exceeds the greater of:**

21 **“[(A)] (i) A concentration of 0.3 percent total**
22 **delta-9-tetrahydrocannabinol; or**

23 **“[(B)] (ii) The concentration of total delta-9-tetrahydrocannabinol allowed**
24 **under federal law.**

25 **“(B) ‘Marijuana item’ does not include:**

26 **“(i) Marijuana seeds transferred in compliance with ORS 475C.065;**

27 **“(ii) Immature marijuana plants that are under 24 inches in height**
28 **transferred in compliance with ORS 475C.065; or**

29 **“(iii) Nonintoxicating cannabis-derived substances transferred in**
30 **compliance with ORS 475C.085.**

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

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

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

5 “(b) If the item is industrial hemp and does not exceed a total
6 delta-9-tetrahydrocannabinol concentration of one percent.

7 “(4) A violation of this section is a:

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

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

11 “(B) Concerns an amount of marijuana items that exceeds the applicable
12 maximum amount specified in ORS 475C.337 (1)(a) to (f).

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

14 “(A) Is for consideration and the person holds a license issued under ORS
15 475C.065, 475C.085, 475C.093 or 475C.097;

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

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

20 **“SECTION 12.** ORS 475C.257 is amended to read:

21 “475C.257. (1) As used in this section:

22 “(a) ‘Consumer’ means a person who purchases, acquires, owns, holds or
23 uses marijuana items other than for the purpose of resale.

24 “(b)(A) ‘Marijuana item’ includes an industrial hemp commodity or prod-
25 uct that exceeds:

26 “[A] (i) The concentration of adult use cannabinoids established by the
27 Oregon Liquor and Cannabis Commission, in consultation with the Oregon
28 Health Authority and the State Department of Agriculture, by rule; or

29 “[B] (ii) The greater of:

30 “[i] (I) A concentration of 0.3 percent total delta-9-tetrahydrocannabinol;

1 or

2 “[(ii)] (II) The concentration of total delta-9-tetrahydrocannabinol allowed
3 under federal law.

4 “(B) ‘Marijuana item’ does not include:

5 “(i) Marijuana seeds transferred in compliance with ORS 475C.065;

6 “(ii) Immature marijuana plants that are under 24 inches in height
7 transferred in compliance with ORS 475C.065; or

8 “(iii) Nonintoxicating cannabis-derived substances transferred in
9 compliance with ORS 475C.085.

10 “(2) A person other than a marijuana retailer that holds a license issued
11 under ORS 475C.097 may not sell marijuana items to a consumer.

12 “**SECTION 13.** ORS 475C.473 is amended to read:

13 “475C.473. (1) **Except as provided in subsection (3) of this section:**

14 “(a) The Oregon Liquor and Cannabis Commission, the State Department
15 of Agriculture and the Oregon Health Authority may not refuse to perform
16 any duty under ORS 475C.005 to 475C.525 or 475C.540 to 475C.586 on the
17 basis that manufacturing, distributing, dispensing, possessing or using
18 marijuana is prohibited by federal law.

19 “[2)] (b) The commission may not revoke or refuse to issue or renew a
20 license, certificate or permit under ORS 475C.005 to 475C.525 or 475C.548 on
21 the basis that manufacturing, distributing, dispensing, possessing or using
22 marijuana is prohibited by federal law.

23 “(2) **Except as provided in subsection (3) of this section, all other**
24 **agencies of state government, as defined in ORS 174.111, shall provide**
25 **the same services to businesses licensed or registered under ORS**
26 **475C.005 to 475C.525, 475C.548, 475C.770 to 475C.919 or 571.260 to 571.348**
27 **as to all other businesses and may not refuse to perform any duty**
28 **assigned to the state agency in relation to businesses licensed or reg-**
29 **istered under ORS 475C.005 to 475C.525, 475C.548, 475C.770 to 475C.919**
30 **or 571.260 to 571.348 on the basis that manufacturing, distributing,**

1 **dispensing, possessing or using marijuana is prohibited by federal law.**
2 **That marijuana is listed as a Schedule I controlled substance under**
3 **the federal Controlled Substances Act is not by itself a prohibition**
4 **under federal law.**

5 **“(3)(a) An agency of state government may refuse to provide a**
6 **service or perform a duty assigned to the state agency as described in**
7 **subsection (2) of this section if the provision of the service or per-**
8 **formance of the duty:**

9 **“(A) Is prohibited by federal law or regulation; or**

10 **“(B) Would result in the state agency incurring costs that are dis-**
11 **proportionately high compared to the costs incurred when providing**
12 **the same service or performing the same duty to a business other than**
13 **a business licensed or registered under ORS 475C.005 to 475C.525,**
14 **475C.548, 475C.770 to 475C.919 or 571.260 to 571.348.**

15 **“(b) If a state agency refuses to provide a service or perform a duty**
16 **pursuant to this subsection, the state agency shall, upon request of**
17 **the business to which the service or duty was refused, provide a writ-**
18 **ten statement that:**

19 **“(A) Specifies whether the refusal is a result of paragraph (a)(A)**
20 **or (a)(B) of this subsection; and**

21 **“(B) Provides a detailed explanation of the reason for the refusal,**
22 **including any relevant federal law or regulation that prohibits the**
23 **provision of the service or performance of the duty.**

24 **“SECTION 14. ORS 475C.477 is amended to read:**

25 **“475C.477. (1) A person may not sue the Oregon Liquor and Cannabis**
26 **Commission or a member of the commission, the State Department of Agri-**
27 **culture or the Oregon Health Authority, or any employee of the commission,**
28 **department or authority, for performing or omitting to perform any duty,**
29 **function or power of the commission, department or authority set forth in**
30 **ORS 475C.005 to 475C.525 or 475C.540 to 475C.586 or in any other law of this**

1 state requiring the commission, department or authority to perform a duty,
2 function or power related to marijuana items.

3 **“(2) A person may not sue any other agency of state government,**
4 **as defined in ORS 174.111, or an employee of an agency, for performing**
5 **or omitting to perform any duty, function or power of the agency re-**
6 **lated to businesses licensed or registered under ORS 475C.005 to**
7 **475C.525, 475C.548, 475C.770 to 475C.919 or 571.260 to 571.348.**

8 **“SECTION 15. The amendments to ORS 475C.177 by section 9 of this**
9 **2025 Act apply to contracts entered into on or after the operative date**
10 **specified in section 16 of this 2025 Act.**

11 **“SECTION 16. (1) Sections 2 to 4 of this 2025 Act and the amend-**
12 **ments to ORS 475C.009, 475C.065, 475C.085, 475C.093, 475C.177, 475C.209,**
13 **475C.229, 475C.257, 475C.473 and 475C.477 by sections 5 to 14 of this 2025**
14 **Act become operative on January 1, 2026.**

15 **“(2) The Oregon Liquor and Cannabis Commission and the State**
16 **Department of Agriculture may take any action before the operative**
17 **date specified in subsection (1) of this section that is necessary to en-**
18 **able the commission and the department to exercise, on and after the**
19 **operative date specified in subsection (1) of this section, all of the du-**
20 **ties, functions and powers conferred on the commission and the de-**
21 **partment by sections 2 to 4 of this 2025 Act and the amendments to**
22 **ORS 475C.009, 475C.065, 475C.085, 475C.093, 475C.177, 475C.209, 475C.229,**
23 **475C.257, 475C.473 and 475C.477 by sections 5 to 14 of this 2025 Act.**

24 **“SECTION 17. Section 18 of this 2025 Act is added to and made a**
25 **part of ORS 475C.005 to 475C.525.**

26 **“SECTION 18. (1) A licensee may engage in the interstate commerce**
27 **of marijuana, including but not limited to the delivery, transfer, sale**
28 **and testing of marijuana as allowed by ORS 475C.005 to 475C.525,**
29 **475C.540 to 475C.586 and 475C.600 to 475C.648 and subject to subsection**
30 **(2) of this section.**

“(2) Any provision of ORS 475C.005 to 475C.525, 475C.540 to 475C.586 and 475C.600 to 475C.648 that prohibits or otherwise restricts a licensee from engaging in the interstate commerce of marijuana is invalid. Provisions not held invalid under this subsection shall remain in full force and effect.

“SECTION 19. Section 18 of this 2025 Act becomes operative on the earlier of the date on which, as confirmed by a formal opinion issued by the Attorney General:

“(1) Federal law or regulation is amended to allow for the interstate commerce of marijuana;

“(2) The United States Department of Justice issues an opinion, memorandum or other formal guidance allowing or tolerating the interstate commerce of marijuana; or

“(3) A federal court issues a ruling to allow the interstate commerce of marijuana or another federal action allowing the interstate commerce of marijuana occurs, and that ruling or action is binding on this state.

“SECTION 20. 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.”.