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TEMPORARY ADMINISTRATIVE ORDER
INCLUDING STATEMENT OF NEED & JUSTIFICATION

PH 94-2018

CHAPTER 333
OREGON HEALTH AUTHORITY
PUBLIC HEALTH DIVISION

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ARCHIVES DIVISION
SECRETARY OF STATE
& LEGISLATIVE COUNSEL

FILING CAPTION: Grow site tracking and designating a grow site administrator for the Cannabis Tracking System

EFFECTIVE DATE: 03/16/2018 THROUGH 09/11/2018

AGENCY APPROVED DATE: 03/12/2018

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NEED FOR THE RULE(S):

The Oregon Health Authority, Public Health Division, Oregon Medical Marijuana Program, in coordination with the Oregon Liquor Control Commission (OLCC), is further implementing the requirements for certain grow sites to track the propagation and production of medical marijuana in the Cannabis Tracking System (CTS) to allow for the agency's data systems to work together. The temporary rules clarify who is required to use CTS, the requirement of a grow site administrator at each grow site using CTS, the responsibilities of a grow site administrator, a deadline for when tracking in CTS must happen, how tracking is to occur, and how and when the CTS fee is to be paid. The temporary rules also outline how to designate and change a grow site administrator for CTS tracking. These temporary rules clarify requirements for implementation and use of CTS for qualifying grow sites.

JUSTIFICATION OF TEMPORARY FILING:

The Authority finds that failure to act promptly will result in serious prejudice to the public interest, the Authority, and medical marijuana registered patients and growers. These rules need to be adopted promptly to clarify requirements for implementation and use of the Cannabis Tracking System for grow sites, given that the deadline for tracking is July 1, 2018. A delay of a few months to adopt permanent rules would result in grow sites that must track by July 1, not having the required tools in place to comply with the new tracking rules, by July 1.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

Oregon Revised Statutes Chapter 475B
https://www.oregonlegislature.gov/bills_laws/ors/ors475B.html

RULES:

AMEND: 333-008-0635

RULE TITLE: Grow Site CTS Tracking

RULE SUMMARY: Clarifies requirements on how implementation of the Cannabis Tracking System (CTS) will occur in the medical marijuana program. Clarifications include who is required to use CTS, requirement to appoint a grow site administrator for each grow site using CTS, responsibilities of a grow site administrator, a deadline for when tracking in CTS must happen, how tracking is to occur, and how and when the CTS fee is to be paid.

RULE TEXT:

- (1) A grow site location that meets the following criteria must track the transfer, propagation and production of marijuana in CTS in accordance with OAR chapter 845, division 25:
 - (a) The grow site may produce more than 12 mature medical marijuana plants and more than 24 immature medical marijuana plants; or
 - (b) There are no patients growing marijuana at the grow site.
- (2) One PRMG at a grow site location must be approved as the designated grow site administrator by the Authority under OAR 333-008-0638 and is responsible for:
 - (a) Paying the CTS non-refundable user fee; and
 - (b) Ensuring compliance with the CTS tracking requirements for all PRMGs at the grow site location.
- (3) A grow site administrator at a grow site subject to tracking must activate the CTS account assigned by the Commission within 10 calendar days of notification by the Commission that activation is required and must enter all inventory within 10 calendar days of activating the CTS account.
- (4) If a license application was submitted to the Commission for the grow site address on or before January 1, 2018, and the Commission has not yet acted on the application, the grow site is not required to comply with CTS tracking until the Commission acts on the application; however, the PRMGs at the grow site must continue to comply with reporting requirements under OAR 333-008-0630.
- (5) The grow site administrator must comply with OAR 845-025-2110 and 845-025-2120 and any additional instructions provided by the Authority or the Commission regarding the following:
 - (a) Setting up and activating a CTS user account;
 - (b) Successfully completing all required CTS training; and
 - (c) Ordering Unique Identification Tags and tagging all marijuana items.
- (6) A grow site administrator and each PRMG at a grow site must cooperate with an inspection or investigation conducted by the Commission under ORS 475B.895(6).
- (7) On or after July 1, 2018, a PRMG producing marijuana at a grow site location that is subject to CTS tracking may not transfer a marijuana item, unless the grow site has:
 - (a) An approved grow site administrator capable of entering required information into CTS;
 - (b) An active CTS user account;
 - (c) UID tags; and
 - (d) All medical marijuana items tagged with UID tags and all inventory recorded in accordance with OAR 845-025-2110.
- (8) If a grow site administrator or any PRMG at a grow site location that is subject to CTS tracking under this rule does not comply with this rule, the Authority may revoke the registration of the grow site and the registration of all PRMGs registered at that grow site location.
- (9) A grow site administrator is legally responsible for compliance with this rule and all CTS tracking requirements as described in OAR 845-025-2110 and 845-025-2120.
- (10) Each PRMG at a grow site location must cooperate with the approved grow site administrator to ensure that the grow site and the grow site administrator complies with this rule and the Commission's CTS rules that apply to registrants. Failure to cooperate with a grow site administrator is a violation of this rule and may result in a PRMG's

registration being revoked.

(11) Nothing in this rule is intended to prohibit the Commission from permitting other authorized users from entering information into CTS for a grow site location in accordance with its own rules and policies.

STATUTORY/OTHER AUTHORITY: ORS 475B.895

STATUTES/OTHER IMPLEMENTED: ORS 475B.895, 475B.949

ADOPT: 333-008-0638

RULE TITLE: Grow Site Administrators for CTS Tracking

RULE SUMMARY: Outlines how to designate and change a grow site administrator for CTS tracking.

RULE TEXT:

(1) Designation of Grow Site Administrator for CTS.

(a) No later than May 1, 2018, the Authority will notify all PRMGs at registered grow sites that are subject to CTS tracking under OAR 333-008-0635(1) that one PRMG at a grow site location must submit a request to be designated the grow site administrator to the Authority in a form and manner prescribed by the Authority, along with the required CTS non-refundable user fee, on or before May 31, 2018, unless the grow site has a pending application for a producer license.

(b) If a grow site that is subject to CTS tracking under OAR 333-008-0635(1) applied for a producer license with the Commission on or before January 1, 2018, and on or after May 1, 2018, the Commission declares the license application incomplete or proposes to deny a grow site's application for a producer license, a PRMG at the grow site must submit a request to be designated the grow site administrator to the Authority in a form and manner prescribed by the Authority, along with the required CTS non-refundable user fee, within 15 calendar days of the date of the Commission's action finding the application incomplete or proposing denial.

(c) On and after May 1, 2018, if a patient submits an application listing a grow site which meets the CTS tracking criteria under OAR 333-008-0635(1), the PRMGs have not already been notified of the requirement to submit a request for a grow site administrator under subsection (1)(a) of this rule, and the grow site does not have an approved grow site administrator, the Authority will notify all PRMGs at a grow site that a grow site administrator must be designated. The PRMG designated as the grow site administrator has 15 calendar days from the date of the Authority's notice to submit a grow site administrator request to the Authority in a form and manner prescribed by the Authority, along with the CTS non-refundable user fee.

(2) If a grow site administrator request is not submitted to the Authority by the deadlines established in this rule the Authority may revoke the registration of each PRMG at the grow site location and revoke the grow site registration.

(3) If more than one grow site administrator request is received for the same grow site location, and the Authority approves a request, the Authority will not review any additional requests.

(4) The Authority shall review and act on grow site administrator requests in the order they are received.

(5) The Authority will approve a request to be designated the grow site administrator if:

(a) The request is complete;

(b) The PRMG is in good standing with the Authority and the Commission. For purposes of this section "in good standing" means the PRMG has not been subjected to discipline by the Authority or the Commission; and

(c) The PRMG requesting approval as the grow site administrator has authorized the Authority to provide the administrator's contact information to all other PRMGs registered at the grow site or who become registered at the grow site and all patients for whom a PRMG is producing marijuana at the grow site, upon approval.

(6) The Authority will notify the approved grow site administrator of the approval or denial and will notify the Commission of all approved grow site administrators so the Commission can begin the process of setting up the grow site's CTS account.

(7) Withdrawal of grow site administrator approval.

(a) If the approved grow site administrator fails to remain registered with the Authority, fails to remain in good standing with the Authority or the Commission, or if the administrator's registration has been suspended or revoked by the Authority, the Authority shall withdraw the administrator's approval. The Authority shall notify the administrator of the withdrawal and cite the reasons for the withdrawal, in writing. The Authority shall notify the Commission when a grow site administrator approval is withdrawn.

(b) If the Authority withdraws its approval of the administrator it shall notify all PRMGs at the grow site location that a new grow site administrator must be designated. The PRMG designated as the grow site administrator has 15 calendar

days from the date of the Authority's notice to submit a grow site administrator request to the Authority in a form and manner prescribed by the Authority, along with the CTS non-refundable user fee, if applicable. The request for approval of a new grow site administrator shall be conducted in accordance with sections (5) and (6) of this rule.

(8) Change of grow site administrator.

(a) An approved grow site administrator may submit a notice of resignation in a form and manner prescribed by the Authority, that the administrator is resigning as the administrator. The administrator may, at the same time, request a replacement grow site administrator for the grow site location. The PRMG designated as the grow site administrator has 15 calendar days from the date of the Authority's notice to submit a grow site administrator request to the Authority in a form and manner prescribed by the Authority, along with the CTS non-refundable user fee, if applicable. The Authority will act on the new request in accordance with sections (5) and (6) of this rule.

(b) Any PRMG at a grow site location may submit a request to the Authority to change the approved grow site administrator, in a form and manner prescribed by the Authority.

(A) The request to change the grow site administrator must include the reasons for the requested change. The requestor must provide the approved grow site administrator a copy of the request.

(B) In addition to the request to change the approved grow site administrator, at least one PRMG at the grow site must submit a request to be approved as the grow site administrator to the Authority in a form and manner prescribed by the Authority, along with the required CTS non-refundable user fee, if needed.

(C) The Authority will notify the approved grow site administrator of the change request and allow the grow site administrator 15 calendar days to submit a written response to the change request, to the Authority.

(D) If the approved grow site administrator does not respond to the Authority or does not object to the change and if the PRMG requesting to become the new grow site administrator is qualified for approval under section (5) of this rule, the Authority will notify the administrator that the administrator's approval has been withdrawn and notify the new grow site administrator of the approval in accordance with section (6) of this rule. If the PRMG requesting to become the new grow site administrator is not qualified for approval under section (5) of this rule the request to change the approved grow site administrator will be denied.

(E) If the approved administrator responds to the change request in a timely manner and objects to the change the Authority will review all of the information submitted and determine if there is good cause to withdraw approval of the current administrator and approve a new administrator. For purposes of this rule "good cause" means the approved administrator is not complying with the rules of the Authority or the Commission with regard to CTS tracking or cannot for other legal reasons comply with such rules.

(i) If the Authority determines there is not good cause to withdraw approval of the approved grow site administrator the Authority shall notify the person who submitted the change request and the approved grow site administrator, in writing, of the Authority's decision and the reasons for the decision.

(ii) If the Authority determines there is good cause to withdraw approval of the currently approved grow site administrator the Authority shall notify the approved grow site administrator of the withdrawal in writing and the reasons for the withdrawal, and notify the Commission. The request for approval of a new grow site administrator shall be conducted in accordance with sections (5) and (6) of this rule.

(9) On and after July 1, 2018, No PRMG at a grow site that is subject to OAR 333-008-0635 may transfer any seeds, immature medical plants or usable medical marijuana unless the grow site has an approved grow site administrator and an active CTS account.

(10) The CTS non-refundable user fee must be paid by the approved grow site administrator on an annual basis. A request to be designated the grow site administrator under section (8) of this rule must be accompanied by a CTS non-refundable user fee if the request is made within 45 days of the due date for the annual CTS non-refundable user fee.

STATUTORY/OTHER AUTHORITY: ORS 475B.895, 475B.949

STATUTES/OTHER IMPLEMENTED: ORS 475B.895