

For your information

The Oregon Liquor Control Commission has:

Amended

Adopted

Suspended

OAR 845-025-2040
PERMANENT

Effective Date: May 16, 2021

Note: **Bold and underlined** = new text; *~~italics and strikethrough~~* = deleted text

845-025-2040

Production Size Limitations

(1) Definitions. For the purposes of this rule:

(a) "Mixed production" means a producer who has the privilege to grow marijuana both indoors and outdoors at the same licensed premises.

(b) "Producer type" means indoor production, outdoor production, or mixed production.

(c) "Production method" means indoor mature canopy, outdoor mature canopy, or immature canopy.

(d) "Production tier" means micro tier I, micro tier II, tier I, or tier II as described in section (3) of this rule.

(2) General Requirements.

(a) A producer must **maintain documentation** clearly **identifying** the size, production method, measurements, and shapes for each mature and immature canopy area in the licensed premises. **The documentation may be kept in either paper or electronic form and must be made available for inspection if requested by an employee of the Commission.**

(b) A mature marijuana plant, as defined in these rules, may only be located in an area designated as a mature canopy area.

(c) A producer must have written approval from the Commission prior to changing the location of a designated canopy area, the shape of a canopy area, producer type, production method, or production tier.

(d) A producer engaging in mixed production may only request to increase its designated mature canopy of one production method by decreasing the designated mature canopy of another production method **once per license year.**

(3) Mature Canopy Size Limits.

(a) Indoor Production. Unless otherwise provided by these rules, the maximum mature canopy size limits for indoor production are:

(A) Micro tier I: Up to 625 square feet.

(B) Micro tier II: 626 to 1,250 square feet.

(C) Tier I: 1,251 to 5,000 square feet.

(D) Tier II: 5,001 to 10,000 square feet.

(b) Outdoor Production. Unless otherwise provided by these rules, the maximum mature canopy size limits for outdoor production are:

(A) Micro tier I: Up to 2,500 square feet.

(B) Micro tier II: 2,501 to 5000 square feet.

(C) Tier I: 5,001 to 20,000 square feet.

(D) Tier II: 20,001 to 40,000 square feet.

(c) Mixed Production. For a producer engaging in mixed production, the Commission will use a 4:1 ratio, for outdoor and indoor respectively, to allocate canopy size limits under this section, not to exceed the sum canopy size limits set forth in section (3) of this rule. For example, if a Tier II producer in the first year of licensure has 1,000 square feet of indoor mature canopy area, then the producer may have up to 36,000 square feet of mature outdoor canopy area at the same time.

(4) Immature Canopy Size Limits. Unless otherwise provided by these rules, the maximum canopy size limits for immature canopy area for licenses issued or renewed after April 1, 2018 shall be:

(a) 625 square feet for Micro tier I producers.

(b) 1,250 square feet for Micro tier II producers.

(c) 5,000 square feet for Tier I producers.

(d) 10,000 square feet for Tier II producers.

(5) Canopy Area Measurements and Shapes.

(a) Square footage of a canopy area is measured horizontally starting from the outermost point of the furthest plant in a designated canopy area and continuing around the outside of all plants located within the designated canopy area. If immature plants are grown on racks or shelving within the immature canopy area, only the footprint of the area containing the immature plants will be used to calculate the immature canopy area. The total canopy area of mature plants grown on racks or shelving is measured to include each layer of plants as a separate canopy area.

(b) Maximum canopy areas allowed. A producer must either:

(A) Designate no more than 20 quadrilateral canopy areas including both immature and mature canopy areas at a licensed premises and clearly demarcate each canopy area with a physical boundary, wall, or marker at the outermost edge or each corner of each designated canopy space; or by at least eight feet of open space.

(B) Designate no more than 20 canopy areas of any shape including both immature and mature canopy areas at a licensed premises and provide the Commission with a survey of the canopy space conducted by a Professional Land Surveyor licensed by Oregon State Board of Examiners for Engineering and Land Surveying that shows the total square footage each of mature and immature canopies are within the applicable canopy size limits described in this rule.

(6) Production Tier Changes.

(a) A producer licensed under ORS 475B.070 for at least one year may request to increase its approved production tier at any time after the first license year, up to the maximum production tier allowed under this rule. A producer must make a request for an increase in writing, in a form and manner prescribed by the Commission.

(b) The Commission may approve a request for a production tier increase if the Commission believes that granting the request does not present an increased risk of noncompliance with the provisions of ORS Chapter 475B and these rules and if the producer:

(A) Has not already been approved for a production tier increase during the current license year;

(B) Has submitted an approved Land Use Compatibility Statement showing the increased production tier is not prohibited; **and**

(C) Has not **been sanctioned** by the Commission for **violating** a provision of ORS **475B.010 to 475B.545** or **a rule adopted under ORS 475B.010 to 475B.545 during the past year.**

(c) A producer may not increase its production tier without prior written approval from the Commission.

(d) If the Commission determines a producer meets the requirements to increase its production tier at a time other than renewal, the producer must submit payment to the Commission for the difference in the fee paid by the producer at the prior renewal and the fee described in OAR 845-025-1160 for the increased tier size before the Commission will provide the producer with written approval.

(e) The Commission may deny a producer's request to increase its production tier if the producer does not meet the requirements of this or any other pertinent rule. If the Commission denies the request, the producer has a right to a hearing under the procedures of ORS chapter 183.

(7) Producer Type Changes.

(a) A producer licensed under ORS 475B.070 for at least one year may request to change its approved producer type at any time after the first license year. A producer must make a request for the change of producer type in writing, in a form and manner prescribed by the Commission.

(b) The Commission may approve a request for a change of producer type if the Commission believes that granting the request does not present an increased risk of noncompliance with the provisions of ORS Chapter 475B and these rules and if the producer:

(A) Has not already been approved for a change of producer type during the current license year; and

(B) Has submitted an approved Land Use Compatibility Statement showing the proposed producer type is not prohibited.

(c) A producer may not change its producer type without prior written approval from the Commission.

(d) The Commission may deny a producer's request to change its producer type if the producer does not meet the requirements of this or any other pertinent rule. If the Commission denies the request, the producer has a right to a hearing under the procedures of ORS chapter 183.

(8) Violations. An intentional violation of this rule is a Category I violation and may result in license revocation. All other violations are Category III violations.

(9) On an annual basis, the Commission shall evaluate market demand for marijuana items, the number of persons applying for producer licenses or licensed as producers and whether the availability of marijuana items in this state is commensurate with the market demand. Following this evaluation, the Commission may amend this rule as needed.

Statutory/Other Authority: ORS 475B.025, 475B.070 & ORS 475B.085
Statutes/Other Implemented: ORS 475B.085