10:00 a.m. Commissioners present by phone were Michael Harper, Marvin Révoal, Pamela Weatherspoon and Chairman Rob Patridge. Commissioner Rice was excused from the meeting. Executive Director, Steve Marks, attended in person along with members of staff.

**RULES**- Presented by Bryant Haley and Jesse Sweet.

- **Pesticides, Fertilizers and Agricultural Chemicals - Amend OAR 845-025-2070**

The Oregon Department of Agriculture has announced that they will be initiating a program called the Marijuana Compliance Assistance Program. This program allows marijuana producers to accept responsibility for an illegal pesticide application. A licensee that accepts responsibility will receive a notice of warning for their first violation instead of a Category I violation. Any subsequent violations would result in a Category I violation, as the Assistance program is only available to first time violators.

Commissioner Révoal asked what happens if a licensee does not participate in the program and gets a violation. Mr. Sweet said the licensee would be subject to an administrative violation at a category I level. Any product that fails the pesticide test will be kept from entering the market.

Director Marks noted that the details of this program and rules were created in partnership with Dept. of Justice, Dept. of Agriculture and the Oregon Health Authority.

Commissioner Révoal moved to temporarily amend 845-025-2070 effective January 1, 2017 to June 29, 2017 and hold a rulemaking hearing at staff’s discretion. **Passed 4/0 all in favor, none in opposition.**

- **Alternating Proprietors Package - Amend OAR 845-025-3250 & adopt 845-025-3255**

As staff has begun licensing cannabinoid edible processors, staff has discovered that many processors do not own a commercial kitchen to produce their products. Instead, as is common in the catering industry, many edible/concentrate makers rent commercial kitchen space or share space with another processor to save on costs. Existing rules allow for this practice for processors with an edible endorsement. However, existing rules do not contemplate that many edible makers also produce
their own infused butter, which requires a concentrate endorsement. Staff is proposing to expand the rule to allow processors who operate under this rule to also produce certain concentrates for use in their edible products. Commissioner Harper asked how OLCC staff will track who and when each licensee has access to the kitchen. Mr. Haley said the rule requires there to be a schedule posted and licensees to adhere to the schedule. Mr. Sweet explained that licensees can’t just go to any commercial kitchen. The kitchens are licensed by the OLCC but are also inspected by the Oregon Dept. of Agriculture because they are producing food items. All OLCC security, access requirements and seed to sale tracking requirements must be met by the licensee.

Commissioner Weatherspoon moved to temporarily amend 845-025-3250 and temporarily adopt 845-025-3255 effective January 1, 2017 to June 29, 2017 and hold a rulemaking hearing at staff’s discretion
Passed 4/0 all in favor, none in opposition.

- **Division 25: 2016 Bill and Technical Amendments Package**

The 2016 Oregon Legislature made adjustments to ORS 475B via several legislative bills (HB 4014, SB 1511 & SB 1598). As each of those bills contained an emergency clause, the Commission implemented temporary rules to align the rules with statutory changes in June of 2016. Over the course of the next several months, staff evaluated both temporary and the permanent Division 25 rules which also had been adopted at the June 2016 Commission meeting. Then in August of 2016, the Commission initiated rulemaking to amend Division 25 for both housekeeping and technical purposes. This was done to allow staff to correct errors and make revisions where lessons had been learned from regulating the new industry. Staff then coupled these changes together with the amendments made in response to HB 4014, SB1511 & 1598 to create the package before you here today.

Commissioner Révoal asked Mr. Sweet to address consumable products made using industrial hemp. Mr. Sweet said the initial draft of our rules, adopted last year, the products were allowed to be present in OLCC retail shops provided that they met the labeling, packaging and testing requirements. Since those rules, the more recent staff draft, amended the clause to say the products could no longer be in OLCC retail establishments. OLCC staff heard a lot of negative public comment from hemp stakeholders on the proposed amendment. Staff has back tracked and the current state of the draft hemp rules proposes to allow hemp commodities for human consumption to be sold at retail, provided they meet the packaging, labeling and testing standards. Hemp may be grown on the same property but not on the same license premises as an OLCC grower. We require a control plan to show how the operations are physically and operationally separate. Industrial hemp is not allowed to be present in any way, shape or form at an OLCC license processor.

**COMMISSION MEMBERS:**
Chairman, Rob Patridge  Michael Harper  Marvin Révoal  Bob Rice  Pamela Weatherspoon
Mr. Sweet said the legal issues around industrial hemp are tricky and changing constantly but staff are proposing to use our regulatory authority to allow hemp to be sold in a retail shop but staff is not comfortable to allow hemp at a processor license in a way that keeps us Cole Memo compliant.

**Passed 4/0 all in favor, none in opposition.**

**COMPLIANCE**

**Stipulated Settlement Agreements**
Tom Mott presented seven stipulated settlement agreements for Commissioners ratification: New Bridgevire Deli, Mystic, Lure, Luna Azul Restaurant, Suki’s Bar & Grill, Taste of Village Chinese Restaurant, Riverview Restaurant.

Commissioner Révoal moved to ratify the seven stipulated settlement agreements as proposed by staff.  
**Passed 4/0 all in favor, none in opposition.**

**Licensing Settlement Agreements**
Tom Mott presented three licensing stipulated settlement agreements: La Sen Vietnamese Grill – Sherwood, La Sen Vietnamese Grill – Tualatin, Cabarett II.  
Commissioner Harper asked about the restriction on the La Sen Vietnamese Grill locations. Mr. Mott said the restriction requires the licensee to pay a year’s worth of liquor liability insurance up front due to his previous record of not having the required insurance at another one of his establishments.  
Commissioner Weatherspoon moved to ratify the three license settlement agreements recommended by staff.  
**Passed 4/0 all in favor, none in opposition.**
Michael E Harper, Sr., Commissioner

Rob Patridge, Chairman

Marvin Révoal, Commissioner

Bob Rice, Commissioner

Pamela Weatherspoon, Commissioner

Steve Marks, Executive Director
and Secretary to the Commissioners