

Compliance Notice

A Message from Steve Marks, Executive Director, OLCC

November 29, 2017

Oregon's legal recreational marijuana system recently passed a one year milestone. It was October 1, 2016 when the first OLCC marijuana license retailers opened for business. A year later we have more than 500 licensed retailers among the 1600 licensed marijuana businesses operating in Oregon. This robust consumer marketplace is a significant accomplishment of the past year. Looking forward we know there is still more work to do. Our team at the OLCC is working hard to get through the backlog of applications and to finish marijuana rules that reflect the work of the past legislative session. The legislature recently authorized us to add more staff to help with the workload and we're in the hiring process right now.

Now the expectations we have for ourselves and the industry reflect the year of experience we collectively have under our belts. During the fall 2016 outdoor harvest season producers were challenged in learning how to account for product in the Cannabis Tracking System (CTS). The CTS is a vital point of accountability in our regulated market. This year we expect our licensees to be proficient in understanding the OLCC rules, obligations under the rules, and operational requirements of CTS.

Below you'll find a list of violations we are seeing on a regular basis. It's important for our licensees to identify if they're at risk for any of these compliance issues.

Outdoor Producers & Metric Compliance

For outdoor producers we want to remind you that as you get near the end of the 45 day harvest packaging window that you repackage your marijuana flower and record the weight in CTS so we won't have to take compliance action. We'll be analyzing CTS data to capture those harvests that aren't repackaged and recorded within 45 days, and licensees can expect us to be issuing violations.

Video Security Compliance

Our compliance team will soon begin spot compliance checks on our licensees. Checking that our licensees are complying with security requirements will be a key focus, especially ensuring that there's backup video from video surveillance systems. Failure to produce backup video is a Category I violation under which a licensee could conceivably lose their license and investment by not producing the backup video for OLCC regardless of whether or not any other violation have been proven. Rather than finding out how your system works when an inspector shows up, you should establish best practices and have procedures in place to ensure your cameras are providing coverage where they're supposed to, and that the video system is working properly.

Retailers and Minors on Premises Compliance

With the holiday season upon us retailers will be preparing for shoppers looking for gifts. Another preparation step is to re-double your efforts to make sure no one under 21 (or under 18 with a medical card) is entering your licensed retail premises. Failure to identify the age of a minor is a serious violation. In December the OLCC will begin Minor Decoy Operations at licensed marijuana retailers around the state, so now would be a good time to make sure you have good age verification procedures in place. Education on minor decoy detection is available from the OLCC, including ID checking classes.

Also, please remember that a licensee's own minor children are not permitted to be on the licensed premises for any reason.

Retailers and Daily Purchase Limits

We'll also be checking to make sure that retailers aren't selling to individual customers more than the allowable daily limit under OLCC Rules 845-025-2800. You can also download this [poster listing the daily limits](#) from the [OLCC website](#).

Marijuana Worker Permit Compliance

In August 2017 the OLCC allowed growers to hire employees who had an application for a worker permit in process with the OLCC. That exception comes to an end on December 15, 2017. After that date all employees must have a worker permit if they are handling marijuana.

The good news is that we have approved a workforce of 19,000 people who have been issued their worker permits.

We have also approved permits for about 9000 applicants, but those applicants have not been issued their work permits because they have not paid the permit fee of \$100 dollars. If these workers pay for their permits the regulated industry will have an approved workforce of nearly 30,000 people.

An additional 9000 applicants are under review and have not been issued their permits.

After December 15, 2017 approved, but not paid applicants and applicants awaiting approval, can no longer work in the licensed premises of an OLCC licensee until they have a Marijuana Worker Permit. Now is the time to ensure your workforce will be compliant to avoid violations after December 15.

We bring these reminders to your attention because they're important to the integrity of properly operating our regulated marijuana industry. With each passing day OLCC licensees are seeing and hearing about increased OLCC enforcement activity. During recent actions, we immediately suspended two licenses, are now routinely issuing and settling violations, and now have several priority investigations under way and are routinely issuing and settling violations. Compliance is critically important in building this industry so you need to take action to prepare for the increasing likelihood you may be inspected in the field and that your CTS data will be scrutinized.

The recent out-of-state arrest of one of our licensees was certainly a setback for the integrity of the Oregon marketplace all of us have worked to create. Like me, I know that many of you were embarrassed by this incident. There is no place for those that seek to cut corners in the Oregon system and OLCC will do all we can to ensure the integrity of the Oregon marketplace and its competitive fairness for all you who follow the rules. I am confident we can achieve this aim with the help of our licensees.

As this year closes, the OLCC remains committed to your success in our system and working with you and Oregon's leaders to improve it.

Steve Marks

OLCC Executive Director

We've put together this compliance check list to help you make sure you're in good standing this holiday season:

- ✓ **45 Day Harvest Packaging Reminder:** Outdoor producers who've completed their 2017 fall harvest need to make sure they've segregated their harvest lots of dried flower to ensure compliance with OLCC [Division 25 Rules 845-025-2080](#). Each harvest lot needs to be packaged separately with a CTS (Metrc) User Identification Tag linked to each plant and recorded in CTS **within 45 days of harvest.**
- ✓ **30 Day Video Backup Reminder:** All OLCC marijuana licensees are required to have off site (away from the licensed premises) back up recordings from their video surveillance system for a minimum of 30 days. You can do this by uploading to the cloud or to a physical location away from the licensed premises. OLCC [Division 25 Rules 845-025-1450](#).
- ✓ **No Minors on the Licensed Premises Reminder:** No one under the age of 21 is allowed on a licensed premises. That means if someone's under 21 (or under 18 if they have a medical card) can't be in a licensed retail operation. Period. OLCC [Division 25 Rules 845-025-1230](#).
- ✓ **Daily Purchase Limit Reminder:** There's a daily limit to the amount of recreational marijuana that a retailer can sell to an individual customer. [OLCC Rules 845-025-2800](#)
- ✓ **Avoid Marijuana Worker Permit violation Reminder:** After December 15, 2017 all workers are required to have an issued marijuana Worker permits or licenses will be subject to violations of the rules. Refer to [Compliance Education Bulletin CE2017-11](#). The exception allowing OLCC applicants for worker permits to work on a license facility expires December 15, 2017.