OREGON LIQUOR CONTROL COMMISSION
DIVISION 25
RECREATIONAL MARIJUANA

GENERAL REQUIREMENTS APPLICABLE TO ALL MARIJUANA LICENSEES

845-025-XXXX
Applicability

(1) A person may not produce, process, transport, sell, test, or deliver marijuana for recreational
use without a license from the Commission or as otherwise authorized under these rules.
(2) Nothing in these rules exempts a licensee or licensee representative from complying with any
other applicable state or local laws.
(3) Licensure under these rules does not protect a person from possible criminal prosecution
under federal law.

Stat. Auth.: Stats. Implemented:

845-025-XXXX
Definitions

For the purposes of OAR 845-025-XXXX to 845-025-XXXX, unless otherwise specified the
following definitions apply:
() "Adulterated" means to make a marijuana item impure by adding foreign or inferior
ingredients or substances. A marijuana item may be considered to be adulterated if:
(a) It bears or contains any poisonous or deleterious substance in a quantity rendering the
marijuana item injurious to health, including but not limited to tobacco or nicotine;
(b) It bears or contains any added poisonous or deleterious substance exceeding a safe tolerance
if such tolerance has been established;
(c) It bears or contains a pesticide chemical residue that is unsafe as determined by the Oregon
Department of Agriculture;
(d) It consists in whole or in part of any filthy, putrid, or decomposed substance, or otherwise is
unfit for human consumption;
(e) It is processed, prepared, packaged, or is held under improper time-temperature conditions or
under other conditions increasing the probability of contamination with excessive
microorganisms or physical contaminants;
(f) It is processed, prepared, packaged, or held under insanitary conditions increasing the probability of contamination or cross-contamination;
(g) It is held or packaged in containers composed, in whole or in part, of any poisonous or
deleterious substance rendering the contents potentially injurious to health;
(h) Any substance has been substituted wholly or in part therefor;
(i) Damage or inferiority has been concealed in any manner; or
(j) Any substance has been added thereto or mixed or packaged therewith so as to increase its
bulk or weight, or reduce its quality or strength, or make it appear better or of greater value than
it is.
"Authority" means the Oregon Health Authority.
"Business day" means Monday through Friday excluding legal holidays.
"Cannabinoid" means any of the chemical compounds that are the active constituents of marijuana.
"Cannabinoid concentrate" means a substance obtained by separating cannabinoids from marijuana by:
(a) A mechanical extraction process;
(b) A chemical extraction process using a nonhydrocarbon-based or other solvent, such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol; or
(c) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, provided that the process does not involve the use of high heat or pressure; or
"Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or flowers have been incorporated.
"Cannabinoid extract" means a substance obtained by separating cannabinoids from marijuana by:
(a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane or propane;
(b) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, if the process uses high heat or pressure; or
(c) Any other process identified by the commission, in consultation with the authority, by rule.
"Cannabinoid product" means a cannabinoid edible and any other product intended for human consumption or use, including a product intended to be applied to the skin or hair, that contains cannabinoids or dried marijuana leaves or flowers.
"Compliance buy" means a single covert, on-site visit in which a Commission authorized representative poses as an authorized representative of a licensee or a consumer and attempts to purchase or purchases a marijuana item from a licensee, or attempts to sell or sells a marijuana item to a licensee.
"Container" means a sealed, hard or soft-bodied receptacle in which a marijuana item is placed prior to being sold to a consumer.
"Commission" means the Oregon Liquor Control Commission.
"Consumer" means a person who purchases, acquires, owns, holds or uses marijuana items other than for the purpose of resale.
"Date of Harvest" means the date the mature marijuana plants in a harvest lot were removed from the soil or other growing media. If the harvest occurred on more than one day, the “date of harvest” is the day the last mature marijuana plant in the harvest lot was removed from the soil or other growing media.
"Financial interest" means having an interest in the business such that the performance of the business causes, or is capable of causing, an individual or a legal entity with which the individual is affiliated, to benefit or suffer financially, and such interests include but are not limited to:
(a) Receiving, as an employee or agent, out-of-the-ordinary compensation, either in the form of over-compensation or under compensation;
(b) Lending money, real property or personal property to an applicant or licensee for use in the business;
(c) Giving money, real property or personal property to an applicant or licensee for use in the business; or
(d) Being the spouse or domestic partner of an applicant or licensee. For purposes of this subsection, “domestic partners” includes adults who share the same regular and permanent address and would be financially effected by the success or failure of the business as well as adults who qualify for a “domestic partnership” as defined under ORS 106.310.

"Harvest lot" means marijuana that is uniform in strain, cultivated utilizing the same growing practices and harvested at the same time.

"Immature marijuana plant" means a marijuana plant that is not flowering.

“Intended for human consumption” means intended for a human to eat, drink, or otherwise put in the mouth but does not mean intended for human inhalation.

"Laboratory" means a laboratory certified by the Authority under ORS 438.605 to 438.620 and authorized to test marijuana items for purposes specified in these rules.

"Licensee" means any person who holds a license issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015.

“License holder” includes:
(a) Each applicant listed on an application that the commission has approved;
(b) Each individual who meets the qualification described in OAR 845-025-XXXX and who the commission has added to the license under OAR 845-025-XXXX; or
(c) Each individual who has a financial interest in the licensed business and who the commission has added to the license under OAR 845-025-XXXX.

"Licensee representative" means an owner, director, officer, manager, employee, agent, or other representative of a licensee, to the extent that the person acts in a representative capacity.

“Limited access area” means a building, room, or other contiguous area on a licensed premises where a marijuana item is produced, processed, stored, weighed, packaged, labeled, or sold, but does not include a point of sale area on a licensed retailer premises.

(a) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.
(b) “Marijuana” does not include industrial hemp, as defined in ORS 571.300.

"Marijuana flowers” means the flowers of the plant genus Cannabis within the plant family Cannabaceae.

“Marijuana items” means marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts.

“Marijuana leaves” means the leaves of the plant genus Cannabis within the plant family Cannabaceae.

"Marijuana processor" means a person who processes marijuana items in this state.

"Marijuana producer" means a person who produces marijuana in this state.

"Marijuana retailer" means a person who sells marijuana items to a consumer in this state.

"Marijuana wholesaler" means a person who purchases marijuana items in this state for resale to a person other than a consumer.

"Mature marijuana plant" means a marijuana plant that is not an immature marijuana plant.

“METRC” means the Commissions’s Marijuana Enforcement Tracking Reporting and Compliance system.

“Non-Toxic” means not causing illness, disability or death to persons who are exposed.
() "Person" has the meaning given that term in ORS 174.100.
() "Premises" or "licensed premises" includes the following areas of a location licensed under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015:
(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 production, 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, the entire lot or parcel, as defined in ORS 92.010, that the licensee owns, leases or has a right to occupy.
(b) “Premises” or “licensed premises” does not include a primary residence.
() (a) “Processor” means the processing, compounding or conversion of marijuana into cannabinoid products, cannabinoid concentrates or cannabinoid extracts;
(b) "Processes" does not include packaging or labeling.
() "Process lot" means:
(a) Any amount of cannabinoid concentrate or extract of the same type and processed at the same time using the same extraction methods, standard operating procedures and batches from the same harvest lot; or
(b) Any amount of cannabinoid products of the same type and processed at the same time using the same ingredients, standard operating procedures and batches from the same harvest lot or process lots of cannabinoid concentrate or extract.
() “Producer” means a marijuana producer licensed by the Commission.
() (a) "Produces" means the manufacture, planting, cultivation, growing or harvesting of marijuana.
(b) "Produce" does not include:
(1) The drying of marijuana by a marijuana processor, if the marijuana processor is not otherwise producing marijuana; or
(2) The cultivation and growing of an immature marijuana plant by a marijuana processor, marijuana wholesaler or marijuana retailer if the marijuana processor, marijuana wholesaler or marijuana retailer purchased or otherwise received the plant from a licensed marijuana producer.
() “Propagate” means to grow immature marijuana plants or to breed or produce the seeds of the plant Cannabis family Cannabaceae.
() "Public place" means a place to which the general public has access and includes, but is not limited to, hallways, lobbies and other parts of apartment houses and hotels not constituting rooms or apartments designed for actual residence, and highways, streets, schools, places of amusement, parks, playgrounds and areas used in connection with public passenger transportation.
() “Regulatory specialist” means a full-time employee of the commission who is authorized to act as an agent of the commission in conducting inspections or investigations, making arrests and seizures, aiding in prosecutions for offenses, issuing citations for violations and otherwise enforcing chapter 471, ORS 474.005 to 474.095 and 474.115, commission rules and any other statutes the commission considers related to regulating liquor or marijuana.
() “Retailer” means a marijuana retailer licensed by the Commission.
() "Safe" means:
(a) A metal receptacle with a locking mechanism capable of storing all marijuana items on a licensed premises that:
   (A) Is rendered immobile by being securely anchored to a permanent structure of an enclosed area; or
   (B) Weighs more than 750 pounds.
(b) A "vault"; or
(c) A refrigerator or freezer capable of being locked for storing marijuana items that require cold storage that:
   (A) Is rendered immobile by being securely anchored to a permanent structure of an enclosed area; or
   (B) Weighs more than 750 pounds.
"Shipping Container" means any container or wrapping used solely for the transport of a marijuana items in bulk to a marijuana licensee as permitted in these rules.
"These rules” means OAR 845-025-XXXX to 845-025-XXXX.
"UID" means unique identification.
(a) “Usable marijuana” means the dried leaves and flowers of marijuana.
(b) “Usable marijuana” does not include:
(A) The seeds, stalks and roots of marijuana; or
(B) Waste material that is a by-product of producing or processing marijuana.
"Vault" means an enclosed area or room that is constructed of steel-reinforced or block concrete and has a door that contains a multiple-position combination lock or the equivalent, a relocking device or equivalent, and a steel plate with a thickness of at least one-half inch.
"Wholesaler” means a marijuana wholesaler licensed by the Commission.

Stat. Auth.:
Stats. Implemented:

845-025-XXXX

Application Process

(1) On or after 8:30 a.m. Pacific Standard Time (PST) January 4, 2016, a person may submit an application to the Commission, on a form prescribed by the Commission, for a marijuana producer, processor, wholesaler, retail, or laboratory license.
(2) An application for a license and all documentation required in the application instructions and in section (4) of this rule must be submitted electronically, via the Commission’s website http://XXXX. The application fee specified in OAR 845-025-XXXX must also be paid through the Commission’s on-line payment system at the time of application.
(3) An application must include the names and other required information for all individuals who are applicants as described in OAR 845-025-XXXX and who are not applicants but who have a “financial interest” in the business, as defined in OAR 845-025-XXXX.
(4) In addition to submitting the application form the following must be submitted:
(a) If required for an individual on the application:
   (A) Information or fingerprints for a criminal background check in accordance with OAR 845-025-XXXX; and
   (B) An Individual History Form and any information identified in the form that is required to be submitted;
(b) A map or sketch of the premises proposed for licensure, including the defined boundaries of the premises;
(c) A floor or plot plan sketch of all enclosed areas with clear identification of walls, partitions, counters, windows, all areas of ingress and egress, and all limited access areas;
(d) Proof of lawful possession of the premises proposed for licensure;
(e) An operating plan that demonstrates at a minimum, how the applicant’s proposed premises and business will comply with the applicable laws and rules regarding:
   (A) Security;
   (B) Employee qualifications and training;
   (C) Transportation of product;
   (D) Preventing minors from entering the licensed premises; and
   (E) Preventing minors from obtaining or attempting to obtain marijuana items.
(f) For producers:
   (A) The proposed canopy size and tier as described in OAR 845-025-XXXX and a designation of the canopy area within the license premises.
   (B) A report describing the applicant’s electrical and water usage, on a form prescribed by the Commission. An applicant may estimate projected water and electricity usage, but must make a reasonable, good faith effort to accurately assess anticipated usage, taking into account all portions of the licensed premises and expected requirements of the operation.
   (C) A description of the growing operation including growing media, a description of equipment to be used in the production, and whether production will be indoor, outdoor or both.
   (D) Proof of a water right or a statement that water is supplied from a public water system as that is defined in OAR 333-061-0020 or from an irrigation district, along with the name of the water system or irrigation district.
(g) For processors:
   (A) On a form prescribed by the Commission, the proposed endorsements as described in OAR 845-025-XXXX.
   (B) A description of the type of products to be processed, a description of equipment to be used, including any solvents, gases, chemicals or other compounds used to create extracts or concentrates.
(5) The Commission must review an application to determine if it is complete. An application will be considered incomplete if an application form is not complete, the full application fee has not been paid, or some or all of the additional information required under section (4) of this rule is not submitted.
(6) An applicant may submit a written request for reconsideration of a decision that an application is incomplete. Such a request must be received by the Commission within ten days of the date the incomplete notice was mailed to the applicant. The Commission shall give the applicants the opportunity to be heard if an application is rejected. A hearing under this subsection is not subject to the requirements for contested case proceedings under ORS 183.310 to 183.550.
(7) If, prior to an application being acted upon by the commission, there is a change with regard to who is an applicant or who is a person with a financial interest in the proposed business, the new applicant or person with a financial interest must submit a form, prescribed by the commission, that:
   (a) Identifies the individual or person;
(b) Describes the individual’s or person’s financial interest in the business proposed for licensure; and
(c) Includes any additional information required by the commission, including but not limited to information and fingerprints required for a criminal background check.
(8) Failure to comply with subsection (6) of this rule may result in an application being denied.

Stat. Auth.: 
Stats. Implemented:

845-025-XXXX
Qualifications of an Applicant

(1) Any individual or legal entity that has a financial interest in the business for which licensure is sought and who is directly involved in controlling the ordinary course of business for the business that is proposed to be licensed must be listed as an applicant on a license application.
(2) If an applicant is an individual the applicant must:
(a) Be at least 21 years of age; and
(b) Until January 1, 2020, have been a resident of Oregon for at least two consecutive years prior to the date the initial or renewal application was submitted.
(3) At least one applicant or the sum of applicants listed on a license application must be a legitimate owner of the business proposed to be licensed or subject to renewal.
(4) An individual or legal entity will not be considered by the Commission to be directly involved in the ordinary course of business for the business proposed to be licensed solely by virtue of:
(a) Being a shareholder, director, member or limited partner;
(b) Being an employee or independent contractor;
(c) Participating in matters that are not in the ordinary course of business such as amending organizational documents of the business entity, making distributions, changing the entity’s corporate structure, or approving transactions outside of the ordinary course of business as specified in the entity’s organizational documents.
(5) An individual applicant or applicant legal entity will be considered by the Commission to be a legitimate owner of the business if:
(a) The individual applicant or legal entity applicant owns at least 51% of the business proposed to be licensed; or
(b) One or more individual applicants or applicant legal entities in sum own at least 51% of the business proposed to be licensed.
(6) The following factors, in and of themselves, do not constitute ownership:
(a) Preferential rights to distributions based on return of capital contribution;
(b) Options to purchase an ownership interest that may be exercised in the future;
(c) Convertible promissory notes; or
(d) Security interests in an ownership interest.
(7) For purposes of this rule “ownership” means direct or indirect ownership of the shares, membership interests, or other ownership interests of the business proposed to be licensed.
(8) The Commission may consider factors other than those listed in this rule when determining whether an individual or legal entity is directly involved in the operation or management of the business proposed to be licensed or licensed, or is a legitimate owner.
(9) An individual listed as an applicant on an initial or renewal application, or identified by the commission as an applicant must maintain Oregon residency while the business is licensed.

Stat. Auth.: Stats. Implemented:

**845-025-XXXX**

**Fees**

(1) At the time of application an applicant must pay a:
   (a) $____ non-refundable application fee; and
   (b) $100 criminal background check fee.
(2) If the commission approves an application and grants a license the following license fees must be paid, prorated for an initial license that is issued for six months or less:
   (a) Producers:
      (A) For square footage of less than * $ __
      (B) For square footage between * and * $:
      (C) For square footage between * and * $.
   (b) Processors: $
   (c) Wholesalers: $
   (d) Retailers: $
   (e) Laboratories: $
   (f) Marijuana handlers: $
   (g) Packaging and labeling preapproval: $
(3) At the time of application renewal an applicant must pay a:
   (a) $___ non-refundable application fee;
   (b) $100 criminal background check fee, if required.
(4) If the commission approves a renewal application the renewal license fees must be paid in the amounts specified in subsection (2) of this rule.
(5) The Commission shall charge the following fees:
   (a) Criminal background checks: $ 100.
   (b) New applicant or individual with a financial interest review: $
   (c) Change of ownership review: $
   (d) Change in business structure review: $
   (e) Transfer of location of premises review: $
   (f) Late fee: $
   (6) Research Certificate: $

Stat. Auth.: Stats. Implemented:

**845-025-XXXX**

**Criminal Background Checks**

(1) If an individual is required by the Commission to undergo a criminal background check, the individual must provide to the Commission:
(a) A criminal background check request form, prescribed by the Commission that includes but is not limited to:
   (A) First, middle and last name;
   (B) Any aliases;
   (C) Date of birth;
   (D) Driver’s license information; and
   (E) Address and recent residency information.
(b) Fingerprints in accordance with the instructions on the Commission’s webpage: *

(2) The Commission may request that an applicant disclose his or her Social Security Number if notice is provided that:
   (a) Indicates the disclosure of the Social Security Number is voluntary; and
   (b) That the Commission requests the Social Security Number solely for the purpose of positively identifying the applicant during the criminal records check process.
(3) An applicant’s criminal history must be evaluated by the Commission in accordance with ORS 670.280 and section 29(2) and (3), chapter 1, Oregon Laws 2015.
(4) The Commission may conduct a criminal background checks in accordance with this rule every year at the time of application renewal.
(5) Records concerning criminal background checks must be kept and handled by the Commission in accordance with ORS 181.534(15).

Stat. Auth.:  
Stats. Implemented:

845-025-XXXX
Application Review

(1) Once the Commission has determined that an application is complete it must review the application to determine compliance with chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015, and these rules.
(2) The Commission:
   (a) Must, prior to acting on an application, request a land use compatibility statement from the city or county that authorizes land use in the city or county in which the applicant’s proposed premises is located.
   (b) May, in its discretion, prior to acting on an application:
      (a) Contact any applicant or individual with a financial interest and request additional documentation or information; and
      (b) Verify any information submitted by the applicant.
(3) The Commission must inspect the proposed premises prior to issuing a license.
(4) If, during an inspection the Commission determines the applicant is not in compliance with these rules, the applicant will be provided with a notice of the failed inspection and the requirements that have not been met.
   (a) An applicant that fails an inspection will have ten calendar days from the date the notice was sent to submit a written plan of correction that demonstrates the deficiencies have been corrected.
   (b) An applicant may request in writing one extension of the ten day time limit in subsection (a) of this section, not to exceed 30 days.
(5) If an applicant does not submit a timely plan of correction or if the plan of correction does not address the deficiencies in a manner that would bring the applicant into compliance, the Commission may deny the application.
(6) If the plan of correction appears, on its face, to address the deficiencies, the Commission will schedule another inspection.
(7) If an applicant fails a second inspection the Commission may deny the application.

Stat. Auth.: Stats. Implemented:

845-025-XXXX
Approval of Application and Issuance of License

(1) If, after the application review and inspection the Commission determines that an applicant is in compliance with section 3 to 70, chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015, and these rules the Commission must notify the applicant in writing that the application has been approved and after payment by the applicant of the license fee, provide the applicant with proof of licensure that includes a unique license number, the effective date of the license, date of expiration, and a description of premises for which the license was issued.
(2) A licensee:
(a) May not operate until on or after the effective date of the license.
(b) Must display proof of licensure in a prominent place on the premises.
(c) May not use the Commission name or logo on any signs at the premises, on the business’ website, or in any advertising or social media, except to the extent that information is contained on the proof of licensure.
(3) Licensure is only valid for the premises indicated on the license and is only issued to the individuals or entities listed on the application or subsequently approved by the Commission.
(4) A license may not be transferred except as provided in OAR 845-025-XXXX.

Stat. Auth.: Stats. Implemented:

845-025-XXXX
Denial of Application

(1) The Commission must deny an initial or renewal application if:
(a) An applicant is under the age of 21 or until January 1, 2020, has not been a resident or Oregon for at least two years.
(b) The applicant’s land use compatibility statement shows that the proposed land use is prohibited in the applicable zone.
(c) The proposed licensed premises is located:
   (A) On federal property.
   (B) At the same physical location or address as a:
      (i) Medical marijuana grow site registered under ORS 475.304, unless the grow site is also licensed under section 116, chapter 614, Oregon laws 2015;
(ii) Medical marijuana processing site registered under section 85, chapter 614, Oregon Laws 2015; or
(iii) Medical marijuana dispensary registered under ORS 475.314.
(C) At the same physical location or address as a liquor licensee licensed under ORS Chapter 471 or as a retail liquor agent appointed by the Commission.
(d) The proposed licensed premises of a producer applicant is:
   (A) On public land; or
   (B) On the same tax lot as another producer licensee under common ownership.
(e) The proposed licensed premises of a processor who has applied for an endorsement to process extracts is located in an area that is zoned exclusively for residential use.
(f) The proposed licensed premises of a retail applicant is located:
   (A) Within 1,000 feet of:
      (i) A public elementary or secondary school for which attendance is compulsory under ORS 339.020; or
      (ii) A private or parochial elementary school, teaching children as described in ORS 339.030.
   (B) In an area that is zoned exclusively for residential use.
(f) A city or county has prohibited the license type for which the applicant is applying, in accordance with sections 133 or 134, chapter 614, Oregon Laws 2015.
(2) The Commission may deny an initial or renewal application if it has reasonable cause to believe that:
(a) The applicant:
   (A) Is in the habit of using alcoholic beverages, habit-forming drugs, marijuana, or controlled substances to excess.
   (B) Has made false statements to the commission.
   (C) Is incompetent or physically unable to carry on the management of the establishment proposed to be licensed.
   (D) Is not of good repute and moral character.
   (E) Does not have a good record of compliance with sections 3 to 70, chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015, or these rules, prior to or after licensure including but not limited to:
      (i) The giving away of a marijuana item as a prize, premium or consideration for a lottery, contest, game of chance or skill, or competition of any kind, in violation of section 49, chapter 614, Oregon Laws 2015;
      (ii) Providing a marijuana item to an individual without checking that the individual is 21 or older; or
      (iii) Unlicensed transfer of marijuana items for financial consideration.
   (F) Is not possessed of or has not demonstrated financial responsibility sufficient to adequately meet the requirements of the business proposed to be licensed.
   (G) Is unable to understand the laws of this state relating to marijuana or these rules, including but not limited to ORS 475.300 to 475.346 and sections 91 to 99, chapter 614, Oregon Laws 2015. Inability to understand laws and rules of this state related to marijuana may be demonstrated by violations documented by the Oregon Health Authority.
(b) That any individual listed on the application has been convicted of violating a general or local law of this state or another state, or of violating a federal law, if the conviction is substantially
related to the fitness and ability of the applicant to lawfully carry out activities under the license, except as specified in Section 29(3), chapter 1, Oregon Laws 2015.

(c) Any applicant is not the legitimate owner of the business proposed to be licensed, or other persons have an ownership interest in the business have not been disclosed to the commission.

(3) The commission may refuse to issue a license to any license applicant or refuse to renew the license of any licensee, when conditions exist in relation to any person having a financial interest in the business or in the place of business which would constitute grounds for refusing to issue a license or for revocation or suspension of a license if such person were the license applicant or licensee. However, in cases where the financial interest is held by a corporation, only the officers and directors of the corporation, any individual or combination of individuals who own a controlling financial interest in the business and any manager of the business shall be considered persons having a financial interest within the meaning of this subsection.

(4) If the Commission denies an application because an applicant submitted false or misleading information to the Commission, the Commission may prohibit the applicant from re-applying for 5 years.

(5) A notice of denial must be issued in accordance with ORS 183.

Stat. Auth.: Stats. Implemented:

845-025-XXXX
Withdrawal of Application

An applicant may withdraw an initial or renewal application at any time prior to the Commission acting on the application unless the Commission has determined that the applicant submitted false or misleading information in which case the Commission may refuse to accept the withdrawal and may issue a notice of proposed denial in accordance with OAR 845-025-XXXX.

Stat. Auth.: Stats. Implemented:

845-025-XXXX
Communication With Commission

(1) If an applicant or licensee is required to or elects to submit anything in writing to the Commission, unless there is a more specific rule that states otherwise, the applicant or licensee may submit the writing to the Commission via:
(a) Mail;
(b) In-person delivery;
(c) Facsimile; or
(d) E-mail.

(2) If a written notification must be submitted by a particular deadline it must be received, regardless of the method used to submit the writing, by 5:00 p.m. PST.

Stat. Auth.: Stats. Implemented:
845-025-XXXX
Notification of Changes

(1) An applicant or licensee must notify the Commission in writing within 10 calendar days of any of the following:
(a) A change in any contact information for anyone listed in an application or subsequently identified as an applicant or an individual with a financial interest;
(b) The Arrest or conviction for any misdemeanor or felony of an individual listed in an application or subsequently identified as an applicant, licensee or individual with a financial interest;
(c) A disciplinary proceeding or licensing enforcement action by another governmental entity that may affect the licensee’s business;
(d) The filing of bankruptcy;
(e) The closure of bank accounts or credit cards by a financial institution;
(f) The theft of marijuana items or money from the licensed premises;
(g) The temporary closure of the business for longer than 30 days; or
(h) The permanent closure of the business.

(2) Change of Ownership. If a licensee has a change in ownership that is 51% or greater, a new application must be submitted in accordance with OAR 845-025-XXXX.

(3) Changes in Financial Interest or Business Structure. A licensee that proposes to change its corporate structure or change who has a financial interest in the business must submit a form prescribed by the Commission, and any information identified in the form to be submitted, to the Commission, prior to making such a change.
(a) The Commission must review the form and other information submitted under subsection (1) of this rule, and will approve the change if the change would not result in an initial or renewal application denial under OAR 845-025-XXXX, or serve as the basis of a license suspension or revocation.
(b) If the Commission denies the change but the licensee proceeds with the change the licensee must surrender the license or the Commission will propose to suspend or revoke the license.
(c) The Commission will not accept a form for a change in corporate structure or financial interest if the license is expiring in less than 90 days or if the licensee is under investigation by the Commission or has been issued a Notice by the Commission following an alleged violation and the alleged violation has not been resolved.

(4) Change of Location. A licensee who wishes to change the location of the licensed premises must submit an application form and the fee specified in OAR 845-025-XXXX but does not need to submit information and fingerprints required for a criminal background check, or individual history forms if there are no changes to the individuals listed on the initial application.
(a) A licensee must submit an operating plan as described in OAR 845-025-XXXX if the business operations will change at the proposed new location.
(b) The commission must approve any change of location prior to licensee beginning business operations in the new location.

Stat. Auth.: 
Stats. Implemented:
Changing, Altering, or Modifying Licensed Premises

(1) A licensee may not make any physical changes to the licensed premises that materially or substantially alters the licensed premises or the usage of the licensed premises from the plans originally approved by the Commission, without the Commission’s prior written approval.

(2) A licensee who intends to make any material or substantial changes to the licensed premises must submit a form prescribed by the Commission, and submit any information identified in the form to be submitted, to the Commission, prior to making any such changes.

(3) The Commission must review the form and other information submitted under subsection (2) of this rule, and will approve the changes if the changes would not result in an initial or renewal application denial under OAR 845-025-XXXX.

(4) If the Commission denies the change the licensee must surrender the license or the Commission will propose to suspend or revoke the license.

(5) For purposes of this rule a material or substantial change requiring approval includes, but is not limited to:

(a) Any increase or decrease in the total physical size or capacity of the licensed premises;

(b) The sealing off, creation of or relocation of a common entryway, doorway, passage or other such means of public ingress or egress, when such common entryway, doorway or passage alters or changes limited access areas, such as the areas in which cultivation, harvesting, processing, or sale of marijuana items occurs within the licensed premises;

(c) Any physical change that would require the installation of additional video surveillance cameras or a change in the security system.

License Renewal

(1) Renewal Applications:

(a) Any licensee who files a completed renewal application with the Commission at least 20 days before the date the license expires may continue to operate as if the license were renewed, pending a decision by the Commission;

(b) Any licensee who does not file a completed renewal application at least 20 days before the existing license expires must stop engaging in any licensed activity when the license expires.

However:

(A) If the Commission receives a completed license renewal application less than 20 days before the date the existing license expires, the Commission will, upon receipt of the appropriate late renewal fee in OAR 845-025-XXXX, issue a letter of authority to operate beyond the expiration of the license, pending a decision by the Commission;

(B) A licensee must not engage in any licensed activity after the license expires. If the Commission receives a completed license renewal application within 30 days after the date the existing license expires, the Commission will, upon receipt of the appropriate late renewal fee in OAR 845-025-XXXX, issue a letter of authority to resume operation, pending a decision by the Commission.
(c) The Commission will not renew a license if the Commission receives the renewal application more than 30 days after the license expires. A person who wants to resume licensed activity in this circumstance:
   (A) Must submit a completed new application, including the documents and information required by the Commission.
   (B) Must not engage in any licensed activity unless and until they receive authority to operate from the Commission after submitting the completed new application.
(d) A person relicensed under section (1)(c) of this rule who engaged in any activity that would require a license while not licensed, in violation of section (1)(b)(B) of this rule, is subject to administrative sanctions.
(e) A person who engages in any activity that requires a license but is not licensed is in violation of * and is subject to criminal prosecution.
(f) For purposes of this rule, a completed application:
   (A) Is considered filed when received by the Commission; and
   (B) Is one that is completely filled out, is signed by all applicants and includes the appropriate fee.

Stat. Auth.: Stats. Implemented:

**845-025-XXXX**

**Financial and Business Records**

In addition to any other recording keeping requirements in these rules a marijuana licensee must keep records that clearly reflect all financial transactions and the financial condition of the business. The following records must be kept and maintained on the licensed premises for a two-year period and must be made available for inspection if requested by an employee of the Commission:
(1) Purchase invoices and supporting documents, to include the items and services purchased, from whom the items were purchased, and the date of purchase.
(2) Bank statements and canceled checks for any accounts relating to the licensed business;
(3) Accounting and tax records related to the licensed business.
(4) Documentation of all financial transactions related to the licensed business, including contracts and agreements for services performed or received that relate to the licensed business.
(5) All employee records, including training.

Stat. Auth.: Stats. Implemented:

**845-025-XXXX**

**Standardized Scales**

A licensee must use an Oregon Department of Agriculture approved scale that is capable of weighing at the gram level, for the weighing of all marijuana items.

Stat. Auth.:
Stats. Implemented:

845-025-XXXX
Licensed Premises Restrictions and Requirements

(1) A licensed premises may not be located:
(a) On federal property.
(b) At the same physical location or address as a:
   (A) Medical marijuana grow site registered under ORS 475.304, unless the grow site is also licensed under section 116, chapter 614, Oregon laws 2015;
   (B) Medical marijuana processing site registered under section 85, chapter 614, Oregon Laws 2015; or
   (C) Medical marijuana dispensary registered under ORS 475.314.
   (D) Liquor licensee licensed under ORS Chapter 471 or as a retail liquor agent appointed by the Commission.
(2) The licensed premises of a producer applicant may not be on:
   (a) Public land.
   (b) The same tax lot as another producer licensee under common ownership.
(3) The licensed premises of a retailer may not be located:
   (a) Within 1,000 feet of:
      (A) A public elementary or secondary school for which attendance is compulsory under ORS 339.020; or
      (B) A private or parochial elementary school, teaching children as described in ORS 339.030.
   (b) In an area that is zoned exclusively for residential use.
   (c) The licensed premises of a processor who has an endorsement to process extracts may not be located in an area that is zoned exclusively for residential use.
(4) The licensed premises of a processor, wholesaler, laboratory and retailer must be enclosed on all sides by permanent walls and doors.
(5) A licensee may not permit:
   (a) Anyone under the age of 21 on a licensed premises except as described in section (6) of this rule; or
   (b) On-site consumption of a marijuana item, alcohol, or other intoxicant by any individual.
(6) Notwithstanding section (5)(a) of this rule, a minor, other than a licensee’s employee, who has a legitimate business purpose for being on the licensed premises, may be on the premises for a limited period of time in order to accomplish the legitimate business purpose. For example, a minor plumber may be on the premises in order to make a repair.
(7) A licensee must clearly identify all limited access areas in accordance with OAR 845-025-XXXX.
(8) The general public is not permitted on a licensed premises, except for the licensed premises of a retailer. In addition to licensee representatives, the following individuals are permitted on a licensed premises, including limited access areas, subject to the requirements in section (9) of this rule:
   (a) Laboratory personnel, if the laboratory is licensed by the Commission;
   (b) A contractor authorized by a licensee representative to be on the licensed premises; or
   (c) Another licensee or that licensee’s representative.
(9) Prior to entering a licensed premises all visitors permitted by section (8) of this rule must be documented and issued a visitor identification badge from a licensee representative that must remain visible while on the licensed premises. A visitor badge is not required for government officials. All visitors described in subsection (8) of this rule must be accompanied by a licensee representative at all times.

(10) A licensee must maintain a log of all visitor activity.

(11) Nothing in this rule is intended to prevent or prohibit Commission employees or contractors, or other state or local government officials that have jurisdiction over some aspect of the licensed premises or licensee to be on the licensed premises.

(12) A licensee may not sublet any portion of a licensed premises.

(13) A licensed premises may receive marijuana items only from a marijuana producer, marijuana processor, or marijuana wholesaler for whom a premises has been licensed by the commission.

Stat. Auth.: 
Stats. Implemented:

845-025-XXXX
Signage

(1) A licensee must post:
(a) At every entrance to a licensed premises signs that read:
    (A) “No Minors Permitted Anywhere on This Premises”; and
    (B) “No On-Site Consumption of Marijuana”; and
(b) At all areas of ingress or egress to a limited access area a sign that reads: “Do Not Enter – Limited Access Area – Access Limited to Licensed Personnel and Escorted Visitors.”

(2) All signs required by this rule must be legible, not less than 12 inches wide and 12 inches long, composed of letters not less than one-half inch in height, and be in English and Spanish.

Stat. Auth.: 
Stats. Implemented:

845-025-XXXX
Standards for Authority to Operate a Licensed Business as a Trustee, a Receiver, a Personal Representative or a Secured Party

(1) The Commission may issue a temporary authority to operate a licensed business to a trustee, the receiver of an insolvent or bankrupt licensed business, the personal representative of a deceased licensee, or a person holding a security interest in the business for a reasonable period of time to allow orderly disposition of the business.

(a) The trustee, receiver or personal representative must provide the Commission with the following information:
    (A) Proof that the person is the legal trustee, receiver or personal representative for the business; and
(B) A written request for authority to operate as a trustee, receiver or personal representative, listing the address and telephone number of the trustee, receiver or personal representative.

(b) The secured party must provide the Commission with the following information:

(A) Proof of a security interest in the licensed business;

(B) Proof of the licensee’s default on the secured debt;

(C) Proof of legal access to the real property; and

(D) A written request for authority to operate as a secured party listing the secured party’s address and telephone number.

(2) The Commission may revoke or refuse to issue or extend authority for the trustee, receiver, personal representative, or secured party to operate:

(a) If the trustee, receiver, personal representative or secured party does not propose to operate the business immediately or does not begin to operate the business immediately upon receiving the temporary authority;

(b) For any of the reasons that the Commission may revoke or refuse to issue or renew a license;

(c) If the trustee, receiver, personal representative or secured party operates the business in violation of chapters 1 and 614, Oregon Laws 2015, or these rules; or

(d) If a reasonable time for disposition of the business has elapsed.

(3) No person or entity described in section (1) of this rule may operate the business until a certificate of authority has been issued under this rule, except that the personal representative of a deceased licensee may operate the business for up to 10 days after the death provided that the personal representative submits the information required in section (1)(a) of this rule and obtains a certificate of authority within that time period.

(4) A certificate of authority under this rule is initially issued for a 60-day period and may be extended as reasonably necessary to allow for the disposition of the business.

Stat. Auth.: Chapter 1, Oregon Laws 2015, section 25(2)(b) and (c)
Stats. Implemented:

845-025-XXXX
Closure of Business

(1) A license expires upon death of a licensee unless the Commission issues an order as described in subsection (2) of this rule.

(2) The Commission may issue an order providing for the manner and condition under which:

(a) Marijuana items left by a deceased, insolvent or bankrupt person or licensee, or subject to a security interest, may be foreclosed, sold under execution or otherwise disposed.

(b) The business of a deceased, insolvent or bankrupt licensee may be operated for a reasonable period following the death, insolvency or bankruptcy.

(3) A secured party, as defined in ORS 79.0102, may continue to operate a business for which a license has been issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015 for a reasonable period after default on the indebtedness by the debtor.

(4) If a license is revoked the Commission must address in its order the manner and condition under which marijuana items held by the licensee may be transferred or sold.

Stat. Auth.:
Licensee Responsibility

A license is responsible for:
(1) The violation of any administrative rule of the Commission, sections 3 to 70, chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015, or chapter 699, Oregon Laws 2015 affecting the licensee’s license privileges.
(2) Any act or omission of a licensee representative in violation of any administrative rule of the Commission, sections 3 to 70, chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015, or chapter 699, Oregon Laws 2015 affecting the licensee’s license privileges.

Licensee Prohibitions

(1) A licensee may not:
(a) Import into this state or export from this state any marijuana items;
(b) Give marijuana items as a prize, premium or consideration for a lottery, contest, game of chance or game of skill, or competition of any kind;
(c) Sell, give or otherwise make available any marijuana items to any person who is visibly intoxicated;
(d) Make false representations or statements to the commission in order to induce or prevent action by the commission;
(e) Maintain a noisy, lewd, disorderly or insanitary establishment or supply impure or otherwise deleterious marijuana items;
(f) Misrepresent to a customer or to the public any marijuana items;
(g) Sell any marijuana item through a drive-up window;
(h) Deliver marijuana to any consumer off the licensed premises except as permitted by OAR 845-025-XXXX [delivery rule];
(i) Sell or offer to sell a marijuana item that does not comply with the minimum standards prescribed by the statutory laws of this state; or
(j) Use or allow the use of a mark or label on the container of a marijuana item that is kept for sale if the container does not precisely and clearly indicate the nature of the container’s contents or in any way might deceive a customer as to the nature, composition, quantity, age or quality of the marijuana item.
(2) No licensee or licensee representative may be under the influence of intoxicants while on duty. Whether a person is paid or scheduled for work is not determinative of whether the person is considered “on duty” under this subsection.
(a) For purposes of this rule “on duty” means:
(A) The beginning of a work shift that involves the handling or sale of marijuana items, checking identification or controlling conduct on the licensed premises, to the end of the shift including coffee and meal breaks;
(B) For an individual working outside a scheduled work shift, the performance of acts on behalf of the licensee that involve the handling or sale of marijuana items, checking identification or controlling conduct on the licensed premises, if the individual has the authority to put himself or herself on duty; or

(C) A work shift that includes supervising those who handle, sell or serve marijuana items, check identification or control the licensed premises.

Stat. Auth.: 
Stats. Implemented:
SECURITY

845-025-XXXX
Security Requirements

(1) A licensee is responsible for the security of all marijuana items on the licensed premises, including providing adequate safeguards against theft or diversion of marijuana items and records that are required to be kept.

(2) The licensee must ensure that commercial grade, non-residential door locks are installed on every external door of a licensed premises where marijuana items are present.

(3) During all hours when the licensee is not operating a licensee must ensure that:
   (a) All entrances to and exits from a licensed premises are securely locked and any keys or key codes to the enclosed area remain in the possession of the licensee, licensee representative, or authorized personnel; and
   (b) All marijuana items on the licensed premises except live marijuana plants and marijuana in the process of being dried and cured are kept in a safe or vault as those terms are defined in OAR 845-025-XXXX.

(4) A licensee must:
   (a) Have an encrypted network infrastructure;
   (b) Have an electronic back-up system for all electronic records; and
   (c) Keep all video recordings and archived required records not stored electronically in a locked storage area. Current records may be kept in a locked cupboard or desk outside the locked storage area during hours when the licensed business is open.

Stat. Auth.:  
Stats. Implemented:

845-025-XXXX
Alarm System

(1) A licensed premises must have a fully operational security alarm system on all:
   (a) Entry or exit points; and
   (b) Perimeter windows.

(2) The security alarm system for the licensed premises must:
   (a) Be able to detect movement within any indoor area on the licensed premises;
   (b) Be programmed to notify a security company that will notify the licensee, licensee representative or authorized personnel in the event of a breach; and
   (c) Have at least two operational "panic buttons" located inside the licensed premises that are linked with the alarm system that notifies a security company.

(3) Upon request licensees shall make all information related to security alarm systems, monitoring and alarm activity available to the commission.

Stat. Auth.:  
Stats. Implemented:
Video Surveillance Equipment

(1) A licensed premises must have a fully operational video surveillance recording system.

(2) Video surveillance equipment must, at a minimum:
   (a) Consist of:
      (A) Digital or network video recorders;
      (B) Cameras capable of meeting the requirements of OAR 825-025-XXXX and this rule;
      (C) Video monitors;
      (D) Digital archiving devices; and
      (E) A minimum of one monitor on premise capable of viewing video;
      (F) A printer capable of producing still photos.
   (b) Be equipped with a failure notification system that provides, within __ hours, notification to
       the licensee or an authorized representative of any prolonged surveillance interruption or failure;
       and
   (c) Have sufficient battery backup to support a minimum of one hour of recording time in the
       event of a power outage.

(3) A licensee’s video surveillance system must be capable of recording all pre-determined
    surveillance areas in any lighting conditions.

(4) All video surveillance equipment and recordings must be stored in a locked secure area that is
    accessible only to the licensee, licensee representatives, or authorized personnel, and the
    Commission.

(5) In limited access areas, as that term is defined in OAR 845-025-XXXX all cameras shall have
    minimum resolution of 1280 x 720 px and record at 10 fps (frames per second).

(6) In exterior perimeter and non-limited access area cameras shall have a minimum resolution
    of 1280 x 720 px and record at least 5 fps, except where coverage overlaps any limited access
    areas such as entrances or exits and in those overlap areas cameras must record at 10 fps.

Stat. Auth.: ORS
Stats. Implemented: ORS

Required Camera Coverage and Camera Placement

(1) A licensed premises must have camera coverage, as applicable, for:
   (a) All limited access areas as that term is defined in OAR 845-025-XXXX;
   (b) All point of sale areas;
   (c) All points of entry to or exit from limited access areas; and
   (d) All points of entry to or exit from the licensed premises;
   (2) A licensee must ensure that cameras are placed so that they capture clear and certain images
       of any individual and activity occurring:
       (a) Within 15 feet both inside and outside of all points of entry to and exit from the licensed
           premises; and
       (b) Anywhere within secure or limited access areas on the licensed premises.
Video Recording Requirements for Licensed Facilities

(1) A licensee must have cameras that continuously record 24 hours a day all areas with marijuana items on the licensed premise.
(2) A licensee must:
   (a) Use cameras that record at a minimum resolution of 1280 x 720 px.
   (a) Keep all surveillance recordings for a minimum of 30 calendar days and in a format that can be easily accessed for viewing.
   (b) Have a surveillance system that has the capability to produce a still photograph from any camera image.
   (c) Have the date and time embedded on all surveillance recordings without significantly obscuring the picture.
   (d) Archive video recordings in a format that ensures authentication of the recording as a legitimately-captured video and guarantees that no alterations of the recorded image has taken place.
   (e) Make video surveillance records and recordings available upon request to the Commission for the purpose of ensuring compliance with the Act and these rules.
   (f) Immediately notify the Commission of any equipment failure or system outage.
(3) Failure to comply with subsections (2)(e) or (f) of this rule is a Category I violation and may result in license revocation.

Location and Maintenance of Surveillance Equipment

(1) A licensee must have the:
   (a) Surveillance room or surveillance area in a limited access area.
   (b) Surveillance recording equipment housed in a designated, locked, and secured room or other enclosure with access limited to:
      (A) The licensee, licensee representatives, and authorized personnel
      (B) Agents of the Commission;
      (C) Agents of an applicable local jurisdiction;
      (D) State or local law enforcement agencies for a purpose authorized under the Act, these rules, or for any other state or local law enforcement purpose; and
      (E) Service personnel or contractors.
(2) A licensee must keep a current list of all authorized employees and service personnel who have access to the surveillance system and room on the licensed premises.
(3) Licensees must keep a surveillance equipment maintenance activity log on the licensed premises to record all service activity including the identity of any individual performing the service, the service date and time and the reason for service to the surveillance system.
(4) Off-site monitoring and video recording storage of the licensed premises by a licensee or an independent third-party is authorized as long as standards exercised at the remote location meet or exceed all standards for on-site monitoring.

Stat. Auth.: 
Stats. Implemented:

845-025-XXXX
Producer Security Requirements

(1) In addition to the security requirements in OAR 845-025-XXXX to 845-025-XXXX a producer must erect a physical barrier and obscure from public view all areas of marijuana production.
(a) An indoor production that is fully enclosed on all sides and has no aspect of the production area visible from the exterior satisfies this requirement.
(b) For an outdoor production area, or an indoor production area that is not fully enclosed, a producer may erect a solid wall or fence on all exposed sides of the production area that is at least ten (10) feet high to satisfy this requirement.

(2) A producer’s video surveillance equipment may have a rotating schedule of lighted conditions and zero-illumination as long as ingress and egress points to any area of the licensed premises with flowering marijuana plants remain constantly illuminated for recording purposes.

(3) If a producer chooses to dispose of usable marijuana by any method of composting, as described in OAR 845-025-xxxx (general waste disposal rule), the producer must designate the composting area a limited access area, as defined in OAR 845-025-xxxx, and follow all security, surveillance, signage and access requirements for a limited access area as set forth in these rules.

Stat. Auth.: 
Stats. Implemented:

845-025-XXXX
Waiver of Security Requirements

(1) A licensee may, in writing, request that the Commission waive a particular security requirement. The waiver request must include:
(a) The specific rules and subsections of a rule that is requested to be waived;
(b) The reason for the waiver;
(c) A description of an alternative safeguard the licensee can put in place in lieu of the requirement that is the subject of the waiver;
(d) An explanation of how and why the alternative safeguard accomplishes the goals of the security rules, specifically public safety, prevention of diversion, accountability, and prohibiting access to minors.

(2) The Commission may, in its discretion, and on a case by case basis, grant the waiver if it finds:
(a) The reason the licensee is requesting the waiver is because another state or local law prohibits the particular security measure that is required; or
(b) The licensee cannot, for reasons beyond the licensee’s control, comply with the particular security measure that is required; and
(c) The alternative safeguard that is proposed meets the goals of the security rules.

(3) The Commission must notify the licensee in writing, whether the waiver has been approved. If the waiver is approved the notice must specifically describe the alternate safeguards that are required and, if the waiver is time limited, must state the time period the waiver is in effect.

Stat. Auth.: 
Stats. Implemented:
HEALTH AND SAFETY

845-025-XXXX
State and Local Safety Inspections

(1) All marijuana licensees may be subject to inspection of licensed premises by state or local government officials to determine compliance with state or local health and safety laws. (2) A licensee must contact any utility provider to ensure that the licensee complies with any local ordinance or utility requirements such as water use, discharge into the sewer system, or electrical use.

Stat. Auth.: Stats. Implemented:

845-025-XXXX
General Sanitary Requirements

(1) A marijuana licensee must:
(a) Prohibit any individual working on a licensed premises who has or appears to have a communicable disease, open or draining skin lesion infected with Staphylococcus aureus or Streptococcus pyogenes or any illness accompanied by diarrhea or vomiting for whom there is a reasonable possibility of contact with marijuana items from having contact with a marijuana item until the condition is corrected;
(b) Require all persons who work in direct contact with marijuana items conform to hygienic practices while on duty, including but not limited to:
       (A) Maintaining adequate personal cleanliness; and
       (B) Washing hands thoroughly in an adequate hand-washing area before starting work, prior to having contact with a marijuana item and at any other time when the hands may have become soiled or contaminated;
(c) Provide hand-washing facilities adequate and convenient, furnished with running water at a suitable temperature and provided with effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying device;
(d) Properly remove all litter and waste from the licensed premises and maintain the operating systems for waste disposal in an adequate manner so that they do not constitute a source of contamination in areas where marijuana items are exposed;
(e) Provide employees with adequate and readily accessible toilet facilities that are maintained in a sanitary condition and good repair; and
(f) Hold marijuana items that can support the rapid growth of undesirable microorganisms in a manner that prevents the growth of these microorganisms.
(2) For purposes of this rule “communicable disease” includes but is not limited to: diphtheria, measles, Salmonella enterica serotype Typhi infection, shigellosis, Shiga-toxigenic Escherichia coli (STEC) infection, hepatitis A, and tuberculosis.

Stat. Auth.: Stats. Implemented:
RECREATIONAL MARIJUANA PRODUCERS

845-025-XXXX
Definitions

As used in OAR 845-025-XXXX to 845-025-XXXX:
() “Canopy” means the surface area utilized to produce mature marijuana plants calculated in square feet and measured using the outside boundaries of any area that includes mature marijuana plants including all of the space within the boundaries.
() “Indoor production” means producing marijuana in any manner:
(a) Utilizing artificial lighting on mature marijuana plants; or
(b) Other than “outdoor production” as that is defined in this rule.
() “Outdoor production” means producing marijuana:
(a) In an expanse of open or cleared ground; or
(b) In a greenhouse, hoop house or similar non-rigid structure that does not utilize any artificial lighting on mature marijuana plants, including but not limited to electrical lighting sources.

Stat. Auth.: Stats. Implemented:

845-025-XXXX
Producer Privileges

(1) A producer may only plant, cultivate, grow and harvest marijuana in the manner approved by the Commission and consistent with the chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015 and these rules.
(2) A producer may engage in indoor or outdoor production of marijuana, or a combination of the two.
(3) A producer may sell or deliver:
(a) Usable marijuana to the licensed premises of a marijuana processor, wholesaler, or retailer;
(b) Dried mature marijuana plants that have been entirely removed from any growing medium to the licensed premises of a marijuana processor; or
(c) Immature marijuana plants to the licensed premises of a marijuana producer, wholesaler or retailer.
(4) A producer may not sell a mature marijuana plant other than as provided in section (3)(b) of this rule.

Stat. Auth.: Stats. Implemented:

845-025-XXXX
Licensed Premises of Producer

(1) The licensed premises of a producer includes all areas used to produce marijuana and any other areas used to engage in any privileges of the license.
(2) A producer may not engage in any privileges of the license within a primary residence.
(3) The licensed premises of a producer may not be located at the same physical location or address as a marijuana grow site registered under ORS 475.304 unless the producer is also a person responsible for a marijuana grow site and has been issued a license by the Commission in accordance with section 116, chapter 614, Oregon Laws 2014, and OAR 845-025-XXXX.

Stat. Auth.: Stats. Implemented:

845-025-XXXX
Production Size Limitations

(1) Cultivation Batches and Cultivate Batch Sizes.
(a) A producer must establish cultivation batches and assign each cultivation batch a unique identification number.
(b) A cultivation batch may not have more than 100 immature plants.
(c) A producer may have an unlimited number of cultivation batches at any one time.

(2) Canopy Size Limits.
(a) Indoor Production.
   (A) Tier I: Up to X square feet.
   (B) Tier II: X to X square feet.
(b) Outdoor production.
   (A) Tier I: Up to X square feet.
   (B) Tier II: X to X square feet.
(c) Mixed production. If a producer intends to have a mixture of indoor and outdoor production the Commission will determine the producer’s tiers and canopy sizes by applying the ratio in section (4) of this rule.
(d) For purposes of this section, square footage of canopy space is measured starting from the outer most point of the furthest mature flowering plant in a designated growing space and continuing around the outside of all mature flowering plants located within the designated growing space.
(e) A producer may designate multiple grow canopy areas at a licensed premises but those spaces must be separated by a physical boundary such as an interior wall or by at least 10 feet of open space.

(3) Canopy Size Limit – Designation and Increases.
(a) A producer must clearly identify designated canopy areas and proposed canopy size in the initial license application. A producer may change a designated canopy area with prior written notice to Commission, but a producer may only increase tier canopy size at the time of renewal in accordance with subsection (b) of this section.
(b) A producer may submit a request for an increase in canopy size at the time the producer submits an application for renewal of the license. The Commission will grant a request to increase canopy size for the producer’s next licensure term if:
   (A) The producer’s renewal application is otherwise complete;
   (B) There are no bases to deny or reject the producer’s renewal application;
   (C) The producer has not already reached the applicable maximum canopy size set forth in section (2) of this rule; and
(D) During the preceding year of licensure, the producer has not been found to be in violation, and does not have any pending allegations of violations of chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015, or these rules.

(c) The Commission shall give a producer an opportunity to be heard if a request is rejected under this section, but the producer does not have a right to a contested case proceeding under ORS chapter 183.

(4) **Mixed cultivation methods.**

(a) A producer may produce marijuana indoor and outdoor at the same time on the same licensed premises. The Commission must be notified of a producer’s plan to engage in the indoor and outdoor production of marijuana at the time of initial licensure or at renewal, and not at any other time.

(b) The Commission must approve the canopy size applicable to each method.

(c) 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 (2) of this rule. For example, if a Tier II producer in the first year of licensure has X square feet of indoor canopy space, then the producer may have up to X square feet of outdoor canopy space at the same time.

(5) **Violations.** Violation of this rule is a Category X violation and may result in license revocation.

**Operating Procedures**

(1) A producer must:

(a) Establish written standard operating procedures for the production of marijuana. The standard operating procedures must at a minimum include when, and the manner in which, all pesticide and or other chemicals are to be applied during the production process; and

(b) Maintain a copy of all standard operating procedures on the licensed premises.

(2) If a producer licensee makes a material change to its standard operating procedures it must document the change and revise its standard operating procedures accordingly. Records detailing the material change must be maintained on the licensed premises by the producer licensee.

**Start-up Inventory**

(1) Marijuana producers may not receive immature marijuana plants or seeds from any source other than from another licensee, except that between January 1, 2016 and December 31, 2016, a marijuana producer may receive immature marijuana plants and seeds from any source within Oregon for up to 90 days following initial licensure by the Commission.
(2) The marijuana producer shall, through METRC, report receipt of the number of immature marijuana plants or seeds received under this section within 48 hours of the plants or seeds arriving at the licensed premises. A producer does not have to document the source of the immature plants or seeds.
(3) Failure to comply with this rule is a Category I violation and could result in license revocation.

Stat. Auth.: 
Stats. Implemented:

845-025-XXXX
Pesticides, Fertilizers and Agricultural Chemicals

(1) **Pesticides.** A producer may only use pesticides in accordance with [cross reference ODA’s rules]
(2) **Fertilizers, Soil Amendments, Growing Media.** A producer may only use fertilizer, soil amendments, crop aids, soil or similar growing media that are non-toxic and have not been adulterated.
(3) A producer may not treat or otherwise adulterate usable marijuana with any chemical, biologically active drug, plant, substance, including nicotine, or other compound that has the effect or intent of altering the usable marijuana’s color, appearance, weight or smell.
(4) In addition to other records required by these rules, a producer must maintain, at all times and on the licensed premises:
(a) The material safety data sheet (MSDS) for all pesticides, fertilizers or other agricultural chemicals used by the producer in the production of marijuana;
(b) The original label or a copy thereof for all pesticides, fertilizers or other agricultural chemicals used by the producer in the production of marijuana, and
(c) A log of all pesticides, fertilizers or other agricultural chemicals used by the producer in the production of marijuana. The log must include:
   (A) The name of the product used;
   (B) The name of the person applying the product;
   (C) The date of application;
   (D) The amount applied at each application; and
   (E) The unique identification tag number of the cultivation batch or individual mature marijuana plant to which the product was applied, or if applied to all plants on the licensed premises a statement to that affect.
(5) A producer may maintain the records required under this rule in electronic or written form. If electronic, a producer shall maintain a backup system or sufficient data storage so that records are retained for no less than two years after harvest of any marijuana on which documented products were used. If written, a producer shall ensure that the records are legible and complete, shall keep them in a safe and secure location, and shall retain the records for no less than two years after harvest of any marijuana on which documented products were used.
(6) A producer must make the records required under this rule immediately available during an premises inspection by a Commission regulatory specialist. If the Commission requests copies of the records at any time other than during a premises inspection, a producer shall produce the records within 72 hours of the request.
(7) A violation of sections (1) to (4) of this rule is a Category I violation and could result in license revocation.
(8) A failure to keep complete records as required by this rule is a Category III violation. A failure to keep records on the licensed premises, or failure to timely produce records, is a Category IV violation.

Stat. Auth.:  
Stats. Implemented:

**845-025-XXXX**  
**Harvest Lot Segregation**

(1) A producer must, within 45 days of harvesting a harvest lot, physically segregate the harvest lot from other harvest lots, place the harvest lot in a receptacle or multiple receptacles and assign a UID tag to each receptacle that is linked to each plant that was harvested.
(2) A producer may not combine harvest lots that are of a different strain, were produced using different growing practices or harvested at a different time.

Stat. Auth.:  
Stats. Implemented:
MEDICAL MARIJUANA OPT-IN

845-025-XXXX
Medical Marijuana Grow Site Opt-In

(1) For purposes of this rule:
(a) “Grower” means a person responsible for a marijuana grow site as that term is defined in OAR 333-008-0010.

(b) “Grow site” has the meaning given that term in OAR 333-008-0010.

(c) “Patient” has the same meaning given that term in OAR 333-008-0010.

(2) A grower may apply for a Producer license to produce marijuana at the same location as a grow site only if all growers producing marijuana at that address are listed on the application.

(3) In addition to the requirements of [x-ref license application rule], the applicants must provide proof that each patient for whom the applicants are producing marijuana at the grow site proposed to be licensed has granted permission for the applicants to apply for a license and sell excess usable marijuana and immature plants to licensees of the Commission.

(4) If the Commission approves the application and issues a producer license to the applicants the licensees may not possess more than the amount of usable marijuana or marijuana plants permitted under ORS 475.300 to 475.346 unless the licensed premises ceases to be registered as a grow site with the Oregon Health Authority (OHA).

(5) If the licensed premises ceases to be registered as a grow site with the Oregon Health Authority, the licensee must notify the Commission within 5 days and provide proof that no growers or patients are registered by OHA at the licensed premises.

(6) A licensee licensed under this rule must record in the Commission’s seed to sale system within five days of initial licensure, all mature and immature marijuana plants and usable marijuana on the licensed premises.

(7) A producer, licensed under this rule:
(a) Is subject to these rules with the exception of [start-up inventory rule];
(b) Must comply with the duties, functions and powers of a grower under ORS 475.300 to 475.346 and any rule adopted thereunder, except that a grower is not subject to OHA’s requirements related to the reporting or tracking of mature marijuana plants and usable marijuana;
(c) May sell usable marijuana or immature plants in excess of amounts produced for a patient, to other licensees, in accordance with these rules; and
(d) May, notwithstanding section 6, chapter 614, Oregon Laws 2015, transfer marijuana and usable marijuana to other registrants under ORS 475.300 to 475.346 in accordance with any rules adopted by the OHA.

Stats. Implemented: Sec. 116, chapter 614, OL 2015
MARIJUANA RETAILERS

845-025-XXXX
Retailer Privileges

A retailer is the only licensee that is authorized to sell a marijuana item to a consumer 21 years of age or older.

Stat. Auth.: Stats. Implemented:

845-025-XXXX
Retailer Operational Requirements

(1) A retailer may:
(a) Only receive marijuana items from a producer, wholesaler, processor or laboratory.
(b) Only sell marijuana items to a consumer from the licensed premises, unless sale is made pursuant to a bona fide order as described in [cross reference].
(c) Only sell up to the following amounts at any one time to a consumer within a 24 hour period:
   (A) One ounce of usable marijuana;
   (B) 16 ounces of a cannabinoid product in solid form;
   (C) 72 ounces of a cannabinoid product in liquid form;
   (D) Five grams of cannabinoid extracts or concentrate, whether sold alone or contained in an inhalant delivery system; and
   (E) Four immature marijuana plants.
(d) Refuse to sell marijuana items to a consumer.
(e) Only sell to consumers between the hours of 8:00 a.m. and 10 p.m., PST.
(2) A retailer may not:
(a) Provide free samples of a marijuana item to a consumer;
(b) Sell or give away pressurized containers of butane or other materials that could be used in the home production of marijuana extracts.
(c) Require a consumer to purchase other products or services as a condition of purchasing a marijuana item or receiving a discount on a marijuana item.
(d) Sell a marijuana item for less than the cost of acquisition.
(e) Provide coupons or offer discounts, except that uniform volume discounts are permitted.
(f) Permit consumers to be present on the licensed premises or sell to a consumer between the hours of 10:00 p.m. and 8:00 a.m. PST the following day.
(3) A retailer’s pricing on marijuana items must remain consistent during each business day.
(4) Prior to completing the sale of a marijuana item to a consumer a retailer must verify that the consumer has a valid, unexpired government-issued photo identification and must verify that the consumer is 21 years of age or older by viewing the consumer’s:
(a) Passport;
(b) Driver license, whether issued in this state or by any other state, as long as the license has a picture of the person;
(c) Identification card issued under ORS 807.400;
(d) United States military identification card; or
(e) Any other identification card issued by a state that bears a picture of the person, the name of
the person, the person’s date of birth and a physical description of the person.
(5) Marijuana items offered for sale by a retailer must be stored in such a manner that the items
are only accessible to authorized representatives until such time as the final sale to the consumer
is completed.
(6) For purposes of this rule "coupon" means any coupon, ticket, certificate token or any other
material that a person may use to obtain a price reduction or rebate in connection with the
acquisition or purchase of a marijuana item,

Stat. Auth.: Stats. Implemented:

845-025-XXXX
Retailer Premises

(1) The licensed premises of a retailer:
(a) May not be located in an area that is zoned exclusively for residential use.
(b) May not be located within 1,000 feet of:
   (A) A public elementary or secondary school for which attendance is compulsory under
ORS 339.020; or
   (B) A private or parochial elementary school, teaching children as described in ORS
339.030.
(c) Must be enclosed on all sides by permanent walls and doors.
(2) A retailer must post in a prominent place signs at every:
(a) Point of sale that read:
   (A) “No Minors Permitted Anywhere on the Premises”; and
   (B) “No On-Site Consumption”.
(b) Exit from the licensed premises that reads: “Marijuana or Marijuana Infused Products May
Not Be Consumed In Public”.
(3) A retailer must designate a consumer sales area on the licensed premises where consumers
are permitted. The area shall include the portion of the premises where marijuana items are
displayed for sale to the consumer and sold and may include other contiguous areas such as a
lobby or a restroom. The consumer sales area is the sole area of the licensed premises where
consumers are permitted.
(4) All inventory must be stored on the licensed premises.
(5) For purposes of determining the distance between a retailer and a school referenced in
subsection (1)(b) of this rule, "within 1,000 feet" means a straight line measurement in a radius
extending for 1,000 feet or less in any direction from the closest point anywhere on the boundary
line of the real property comprising a school to the closest point of the licensed premises of a
retailer. If any portion of the licensed premises is within 1,000 feet of a school as described
subsection (1)(b) of this rule an applicant will not be licensed.

Stat. Auth.: Stats. Implemented:
Consumer Health and Safety Information

A retailer must:
(1) Post at the point the sale, the following posters prescribed by the Commission, measuring 22 inches high by 17 inches wide that can be downloaded at www.oregon.gov/olcc/marijuana:
   (a) A Pregnancy Warning Poster; and
   (b) A Poisoning Prevention Poster.
(2) Post at the point of sale a color copy of the "Educate Before You Recreate" flyer measuring 22 inches high by 17 inches wide that can be downloaded at WHATSLEGALOREGON.COM.
(3) Distribute to each individual at the time of sale, a Marijuana Information Card, prescribed by the Commission, measuring 3.5 inches high by 5 inches long that can be downloaded at www.oregon.gov/olcc/marijuana.

Stat. Auth.: 845-025-XXXX
Stats. Implemented: 845-025-XXXX

Delivery of Marijuana Items by Retailer

(1) A marijuana retailer may deliver a marijuana item to a primary residence in Oregon subject to compliance with this rule. For purposes of this rule “primary residence” means a dwelling such as a house or apartment but does not include a hotel, motel, bed and breakfast or similar commercial business.
(2) Delivery Approval Process.
   (a) The retailer must request approval from the Commission prior to undertaking delivery service of marijuana items, on a form prescribed by the Commission that includes a statement that the retailer understands and will follow the requirements for delivery listed in this rule.
   (b) The retailer must receive written approval from the Commission prior to making any deliveries.
   (c) The Commission may refuse to review any request for approval that is not complete and accompanied by the documents or disclosures required by the form.
   (d) If the Commission denies approval the Commission shall give a retailer the opportunity to be heard but denial of approval is not subject to the requirements for a contested case proceeding under ORS Chapter 183.
(3) Bona Fide Orders.
   (a) A bona fide order must be received by an approved retailer from the individual requesting delivery, before 4:00 p.m. on the day the delivery is requested.
   (b) The bona fide order must contain:
      (A) The individual requestor’s name, date of birth, the date delivery is requested and the address of the residence where the individual would like the items delivered;
      (B) A document that describes the marijuana items proposed for delivery and the amounts; and
      (C) A statement that the marijuana is for personal use and not for the purpose of resale.
(4) Delivery Requirements.
   (a) A retailer licensee may only deliver to one consumer up to:
(A) One ounce of usable marijuana;
(B) 16 ounces of cannabinoid products in solid form;
(C) 72 ounces of cannabinoid products in liquid form;
(D) Five grams of cannabinoid extracts or concentrate, whether sold alone or contained in an inhalant delivery system; and
(E) Four immature marijuana plants.

(b) Deliveries must be made before 9:00 p.m. PST and may not be made between the hours of 9:00 p.m. and 8:00 a.m. PST.

(c) The marijuana retailer may only deliver to the individual who placed the bona fide order and only to individuals who are 21 years of age or older.

(d) At the time of delivery the individual performing delivery must check the identification of the individual to whom delivery is being made in order to determine that it is the same individual who submitted the bona fide order, that the individual is 21 years of age or older, and must require the individual to sign a document indicating that the items were received.

(e) A marijuana retailer may not deliver a marijuana item to an individual who is visibly intoxicated at the time of delivery.

(f) Deliveries may not be made more than once per day to the same physical address or to the same individual.

(g) Marijuana items delivered to an individual’s residence must:
   (A) Comply with the packaging rules in OAR 845-025-XXXX to 845-025-XXXX; and
   (B) Be placed in a larger delivery receptacle that has a label that reads: “Contains marijuana: Signature of person 21 years of age or older required for delivery”.

(h) A retailer may not carry or transport at any one time more than a total of $5,000 worth of marijuana items designated for retail delivery.

(i) All marijuana items must be secured inside the delivery vehicle or on the person of the individual doing the deliveries at all times.

(j) A manifest must be created for each delivery or series of deliveries and the individual doing the delivery may not make any unnecessary stops between deliveries or deviate substantially from the manifest route.

(5) Documentation Requirements. A marijuana retailer must document the following regarding deliveries:
(a) The bona fide order and the date and time it was received by the retailer;
(b) The date and time the marijuana items were delivered;
(c) A description of the marijuana items that were delivered;
(d) Who delivered the marijuana items; and
(e) The name of the individual to whom the delivery was made and the delivery address.

(6) A retailer is only required to maintain the name of an individual to whom a delivery was made for one year.

(7) Sanction. A violation of any section of this rule that is not otherwise specified in OAR 845-025-XXXX is a Category X violation.
A retailer must collect, at the point of sale, the tax imposed on the consumer under section 2, chapter 699, Oregon Laws 2015, and remit the tax to the Oregon Department of Revenue in accordance Department of Revenue rules.
RETAIL MARIJUANA PROCESSORS

845-025-XXXX
Definitions

For purposes of OAR 845-025-XXXX to 845-025-XXXX:
(1) “Cannabinoid topical” means a cannabinoid product intended to be applied to skin or hair.
(2) “Food” means a raw, cooked, or processed edible substance, or ingredient used or intended for use or for sale in whole or in part for human consumption, or chewing gum.

Stat. Auth.: Stats. Implemented:

845-025-XXXX
Endorsements

(1) A marijuana processor may only process and sell cannabinoid products, concentrates or extracts if the processor has received an endorsement from the Commission for that type of processing activity. Endorsements types are:
(a) Cannabinoid edible processor;
(b) Cannabinoid topical processor;
(c) Cannabinoid concentrate processor; and
(d) Cannabinoid extract processor.
(2) An applicant must request an endorsement upon submission of an initial application but may also request an endorsement at any time following licensure.
(3) In order to apply for an endorsement an applicant or processor licensee must submit a form prescribed by the Commission that includes a description of the type of products to be processed, a description of equipment to be used, and any solvents, gases, chemicals or other compounds proposed to be used to create extracts or concentrates.
(4) Only one application and license fee is required regardless of how many endorsements an applicant or licensee requests or at what time the request is made.
(5) An individual processor licensee may hold multiple endorsements.
(6) For the purposes of endorsements any cannabinoid product that is intended to be consumed orally is considered a cannabinoid edible.
(7) If a processor is no longer going to process the product for which the processor is endorsed the processor must notify the Commission in writing and provide the date on which the processing of that product will cease.

Stat. Auth.: Stats. Implemented:

845-025-XXXX
General Processor Requirements

(1) A processor must:
(a) Use equipment, counters and surfaces for processing that are food-grade and do not react adversely with any solvent being used.
(b) Have counters and surface areas that are constructed in a manner that reduce the potential for development of microbials, molds and fungi and that can be easily cleaned.
(c) Maintain the licensed premises in a manner that is free from conditions which may result in contamination and that is suitable to facilitate safe and sanitary operations for product preparation purposes.
(d) Store all marijuana items not in use in a locked area, including products that require refrigeration in accordance with OAR 845-025-XXXX [general security requirements].
(e) Assign every process lot a unique identification number and enter this information into the Commission’s seed to sale system.

(2) A processor may provide a sample of a cannabinoid product, concentrate or extract to a marijuana wholesaler or retailer for the purpose of the wholesaler or retailer licensee determining whether to purchase the product but the product may not be consumed on a licensed premises. Any sample provided to another licensee must be recorded in the seed to sale tracking system.
(3) A processor may not manufacture or sell a marijuana item that by its shape and color is attractive to minors as that term is defined in OAR 845-025-XXXX.

Stat. Auth.: 
Stats. Implemented:

**845-025-XXXX**

**Processor Policies and Procedures**

A processor must create and maintain written, detailed standard policies and procedures that include but are not limited to:

(1) Instructions for making each cannabinoid concentrate, extract or product.
(2) The ingredients and the amount of each ingredient for each process lot;
(3) The process for making each product;
(4) The number of servings in a process lot;
(5) The intended amount of THC per serving of the product.
(6) The process for making each process lot homogenous.
(7) If processing a cannabinoid concentrate or extract:
   (a) Conducting necessary safety checks prior to commencing processing;
   (b) Purging any solvent or other unwanted components from a cannabinoid concentrate or extract;
(8) Procedures for cleaning all equipment, counters and surfaces thoroughly.
(9) Proper handling and storage of any solvent, gas or other chemical used in processing or on the licensed premises in accordance with material safety data sheets and any other applicable laws.
(10) Proper disposal of any waste produced during processing in accordance with all applicable local, state and federal laws, rules and regulations.
(11) Quality control procedures designed to maximize safety and minimize potential product contamination. 
(12) Appropriate use of any necessary safety or sanitary equipment.
(13) Emergency procedures to be followed in case of a fire, chemical spill or other emergency.
Processor Training Requirements

(1) A processor must have a comprehensive training program that includes, at a minimum, the following topics:
(a) The standard operating policies and procedures.
(b) The hazards presented by all solvents or other chemicals used in processing and on the licensed premises as described in the material safety data sheet for each solvent or chemical.
(c) Applicable Commission statutes and rules.
(2) At the time of hire and prior to engaging in any processing, and once yearly thereafter, each employee involved in the processing of a cannabinoid concentrate, extract or product must be trained in accordance with the processor’s training program.

Cannabinoid Edible Processor Requirements

(1) A cannabinoid edible processor may only process in a food establishment licensed by the Oregon Department of Agriculture (ODA) and must comply with the applicable provisions of OAR 603, Division 25, with the exception of OAR 603-025-0020(17).
(2) A cannabinoid edible processor may not:
(a) Engage in processing in a location that is operating as a restaurant, seasonal temporary restaurant, intermittent temporary restaurant, limited service restaurant or single-event temporary restaurant licensed under ORS 624;
(b) Share a food establishment with a person not licensed and endorsed by the Commission as a cannabinoid edible processor; or
(c) Process cannabinoid edibles and food that does not contain cannabinoids in the same food establishment.
(3) A cannabinoid edible processor may share a food establishment with another cannabinoid edible processor if:
(a) The schedule, with specific hours and days that each processor will use the food establishment, is prominently posted at the entrance to the food service establishment and has been approved by the Commission:
   (A) The schedule must be submitted to the Commission in writing and will be approved if it demonstrates that use of a shared food establishment by multiple cannabinoid edible processors does not create an increased compliance risk.
   (B) A processor licensee may only change the schedule with prior written approval from the Commission.
(b) Each licensee designates a separate area to secure, in accordance with OAR 845-025-XXXX [cross reference security rules] any marijuana, cannabinoid products, concentrates or extracts
that a licensee stores at the food establishment. If a cannabinoid edible processor does not store marijuana, cannabinoid products, concentrates or extracts at the food establishment those items must be stored on a licensed premises.

(4) A food establishment used by a cannabinoid edible processor is considered a licensed premises and must meet the security and other licensed premises requirements in these rules.

(5) A cannabinoid edible processor is strictly liable for any violation found at a shared food establishment during that processor’s scheduled time or within that processor’s designated area in the food establishment.

Stat. Auth.: 
Stats. Implemented: 

845-025-XXXX
Cannabinoid Concentrate and Extract Processor Requirements

(1) Cannabinoid Concentrates or Extracts. A processor with a cannabinoid concentrate or extract endorsement:
(a) May not use Class I solvents as those are classified in the Federal Drug Administration Guidance, Table I, published in the Federal Register on December 24, 1997 (62 FR 67377).
(b) Must:
   (A) Only use a hydrocarbon-based solvent that is at least 99 percent purity.
   (B) Only use a non-hydrocarbon-based solvent that is food-grade.
   (C) Work in an environment with proper ventilation, controlling all sources of ignition where a flammable atmosphere is or may be present.
   (D) Use only potable water and ice made from potable water in processing.

(2) Cannabinoid Extracts. A processor with an endorsement to make cannabinoid extracts:
(a) May not use pressurized canned butane.
(b) Must:
   (A) Process in a:
      (i) Fully enclosed room clearly designated on the current diagram of the licensed premises.
      (ii) Spark proof room equipped with evacuation fans and lower explosive limit (LEL) detectors.
   (B) Use a commercially manufactured professional grade closed loop extraction system designed to recover the solvents and built to codes of recognized and generally accepted good engineering practices, such as:
      (i) The American Society of Mechanical Engineers (ASME);
      (ii) American National Standards Institute (ANSI);
      (iii) Underwriters Laboratories (UL); or
   (C) If using CO2 in processing, use a professional grade closed loop CO2 gas extraction system where every vessel is rated to a minimum of nine hundred pounds per square inch.
   (D) Have equipment and facilities used in processing approved for use by the local fire code official;
   (E) Meet any required fire, safety, and building code requirements specified in:
      (i) [Oregon statutory reference]
(ii) National Fire Protection Association (NFPA) standards;
(iii) International Building Code (IBC);
(iv) International Fire Code (IFC); and

(F) Have an emergency eye-wash station in any room in which cannabinoid extract is being processed.

(G) Have all applicable material safety data sheets readily available to personnel working for the processor;

(3) **Cannabinoid Concentrates.** A processor with an endorsement to make cannabinoid concentrates:
(a) May not:
   (A) Use denatured alcohol.
   (B) If using carbon dioxide, apply high heat or pressure.
(b) Must only use or store dry ice in a well ventilated room to prevent against the accumulation of dangerous levels of CO2.
(c) May use:
   (A) A mechanical extraction process;
   (B) A chemical extraction process using a nonhydrocarbon-based or other solvent, such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol; or
   (C) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, provided that the process does not involve the use heat over 180 degrees or pressure.

Stat. Auth.: Stats. Implemented:

**845-025-XXXX**

**Cannabinoi**d **Topical Processor**

A processor with a cannabinoid topical endorsement may not engage in processing in a location that is operating as a restaurant, seasonal temporary restaurant, intermittent temporary restaurant, limited service restaurant or single-event temporary restaurant licensed under ORS 624.

Stat. Auth.: Stats. Implemented:

**845-025-XXXX**

**Recordkeeping**

(1) A processors must keep records documenting the following:
(a) How much marijuana is in each process lot;
(b) If a product is returned by a licensee, how much product is returned and why;
(c) If a defective product was reprocessed, how the defective product was reprocessed
(d) Each training provided in accordance with OAR 845-025-XXXX, the names of employees who participated in the training, and a summary of the information provided in the training.
(2) A processor must obtain a material safety data sheet for each solvent used or stored on the licensed premises and maintain a current copy of the material safety data sheet and a receipt of purchase for all solvents used or to be used in an extraction process on the licensed premises.
(3) If the Commission requires a processor to submit or produce documents to the Commission that the processor believes falls within the definition of a trade secret as defined in ORS 192.501, the processor must mark each document “confidential” or “trade secret”.

Stat. Auth.: 
Stats. Implemented:
RECREATIONAL MARIJUANA WHOLESALER

[No Draft Language To Date]
MARIJUANA TESTING LABORATORIES

845-025-XXXX
Laboratory License Privileges

A licensed marijuana testing laboratory may:
(1) Obtain samples of marijuana items from licensees for purposes of performing testing as provided in these rules and OAR 333-007-xxxx;
(2) Transport and dispose of samples as provided in these rules; and
(3) Perform testing on marijuana items in a manner consistent with the laboratory’s accreditation by Oregon Health Authority, these rules and OAR 333-007-xxxx.

Stat. Auth.: Section 93, chapter 614, Oregon Laws 2015
Stats. Implemented: Section 93, chapter 614, Oregon Laws 2015

845-025-XXXX
Laboratory Licensing Requirements

(1) General Requirements
(a) A laboratory that intends to test marijuana items for producer, processor, wholesale or retail licensees must be licensed by the Commission.
(b) An applicant for a license under this rule must comply with all applicable application requirements in OAR 845-025-xxxx (general licensing requirements) and pay the required application and license fees.
(c) A laboratory application is subject to the same application review procedures as other applicants
(d) In addition to the denial criteria in OAR 845-025-XXXX, the Commission may refuse to issue a laboratory license for any violation of sections 91 to 99, chapter 614, Oregon Laws 2015, sections 3 to 70, chapter 1, Oregon Laws 2015, or these rules.
(e) Laboratory application and license fees are established in OAR 845-025-xxxx.

(2) Accreditation by the Oregon Health Authority
(a) In addition to the requirements listed in section (1) of this rule, an applicant for a laboratory license must be accredited by the Authority prior to exercising the licensed privileges in OAR 845-025-XXXX.
(b) An applicant for a license under this rule may apply for licensure prior to receiving accreditation, but the Commission will not issue a license until proof of accreditation is received.
(c) The Commission may make efforts to verify or check on an applicant’s accreditation status during the licensing process, but an applicant bears the burden of taking all steps needed to secure accreditation and present proof of accreditation to the Commission.
(d) In addition to the denial criteria in OAR 845-025-XXXX, the Commission may consider an application incomplete if the applicant does not obtain accreditation from the Authority within six months of applying for a license. The Commission shall give an applicant an opportunity to be heard if an application is declared incomplete under this section, but an applicant is not entitled to a contested case proceeding under ORS chapter 183. An applicant whose application is declared incomplete may reapply at any time.
(e) A licensed laboratory must maintain accreditation by the Authority at all times while licensed by the Commission. If a laboratory’s accreditation lapses, is revoked or is suspended at any time for any reason while licensed by the Commission, the Commission shall consider the license immediately suspended, and the laboratory may not engage in any activities permitted under the license until accreditation is reinstated.

(f) Exercising license privileges while accreditation is suspended or revoked is a Category I violation and could result in license cancellation.

(3) **Renewal.**

(a) A laboratory must renew its license annually and pay the required renewal fees in accordance with OAR 845-025-xxxx.

(b) A laboratory renewal application may be denied for any violation of sections 91 to 99, chapter 614, Oregon Laws 2015, sections 3 to 70, chapter 1, Oregon Laws 2015, or these rules.

Stat. Auth.: Section 93, chapter 614, Oregon Laws 2015
Stats. Implemented: Section 93, chapter 614, Oregon Laws 2015

**845-025-XXXX**

**Laboratory Tracking and Reporting**

(1) A laboratory licensee is required to utilize METRC and follow all requirements established by OAR 845-025-xxxx to OAR 845-025-xxxx (general requirements).

(2) A laboratory licensee is responsible for tracking and entering the following information into METRC:

(a) Receipt of samples for testing, including:
   (A) Size of the sample;
   (B) Name of licensee from whom the sample was obtained;
   (C) Date the sample was collected; and
   (D) UID tag information associated with the harvest or process lot from which the sample was obtained.

(b) Tests performed on samples, including:
   (A) Date testing was performed;
   (B) What samples were tested for;
   (C) Name of laboratory responsible for testing; and
   (D) Results of all testing performed.

(c) Disposition of any testing sample material.

Stat. Auth.: Section 93, chapter 614, Oregon Laws 2015
Stats. Implemented: Section 93, chapter 614, Oregon Laws 2015

**845-025-XXXX**

**Laboratory Transportation and Waste Disposal**

(1) A laboratory licensee must follow all rules regarding transportation of marijuana items established in OAR 845-025-xxxx.

(2) A laboratory licensee must follow all rules regarding disposal of samples from marijuana items established in OAR 845-025-xxxx.
845-025-XXXX
Laboratory Licensee Prohibited Conduct

(1) In addition to the prohibitions set forth in OAR 845-025-xxxx, a laboratory licensee may not:
(a) Perform any marijuana testing, use any testing methods, or use any testing equipment that are not permitted under the laboratory’s accreditation through the Authority.
(b) Perform any mandatory marijuana testing for any licensed marijuana producer, processor, wholesaler or retailer in which the laboratory licensee has a financial interest in; or
(c) Engage in any activity that violates any provision of the chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015, OAR 333-007-xxxx through OAR 333-007-xxxx [OHA testing rules] or these rules.
(2) The Commission may suspend or revoke a laboratory license for any violation of sections 91 to 99, chapter 614, Oregon Laws 2015, or these rules. The licensee has a right to a hearing under the procedures of ORS Chapter 183; OAR Chapter 137, division 003; and OAR Chapter 845, division 003.
(2) A violation of this rule is a Category I violation and could result in license revocation.
RESEARCH CERTIFICATE

845-025-XXXX.
Application for Marijuana Research Certificate.

(1) The Commission shall issue Marijuana Research Certificates to qualifying public and private researchers who can demonstrate that:
   (a) The proposed research benefits the state’s cannabis industry, medical research or public health and safety; and
   (b) The proposed operation complies with all applicable laws and administrative rules governing marijuana licensees and licensee representatives.

(2) The process for applying for, receiving and renewing a certificate shall be the same as the process for applying for, receiving and renewing a marijuana license under [x-ref rule] except the applicant must also provide:
   (a) A clear description of the research proposal;
   (b) A description of the researchers' expertise in the scientific substance and methods of the proposed research;
   (c) An explanation of the scientific merit of the research plan, including a clear statement of the overall benefit of the applicant’s proposed research to Oregon’s cannabis industry, medical research, or to public health and safety;
   (d) Descriptions of key personnel, including clinicians, scientists, or epidemiologists and support personnel who would be involved in the research, demonstrating they are adequately trained to conduct this research;
   (e) A clear statement of the applicant’s access to funding and the overall cost of the proposed research;
   (f) A disclosure of any specific conflicts of interest that the researcher or other key personnel have regarding the research proposal; and
   (g) A description of the research methods demonstrating an unbiased approach to the proposed research.

(3) The term of a Marijuana Research Certificate is one year.

Stat. Auth.: Section 113, chapter 614, OL 2015
Stats. Implemented: Section 113, chapter 614, OL 2015

845-025-XXXX.
Marijuana Research Certificate Privileges and Prohibitions

(1) A certificate holder may receive marijuana items from a licensee or a registrant under ORS 475.300 to 475.346.
(2) A certificate holder may not sell or otherwise transfer marijuana items to any other person except when disposing of waste pursuant to [x-ref rule].
(3) A certificate holder may not conduct any human subject research related to marijuana unless the certificate holder has received approval from an institutional review board that has adopted the Common Rule, 45 CFR Part 46.

(4) All administrative rules adopted by Commission for the purpose of administering and enforcing chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015, and any rules adopted
thereunder with respect to licensees and licensee representatives apply to certificate holders except for those which are inconsistent with this rule.

Stat. Auth.: Section 113, chapter 614, OL 2015
Stats. Implemented: Section 113, chapter 614, OL 2015
**MARIJUANA HANDLER PERMITS**

**845-025-XXXX**

**Marijuana Handler Permit and Retailer Requirements**

(1) A marijuana handler permit is required for any individual who performs work for or on behalf of a marijuana retailer if the individual participates in:
   (a) The possession, securing or selling of marijuana items at the premises for which the license has been issued;
   (b) The recording of the possession, securing or selling of marijuana items at the premises for which the license has been issued;
   (c) The verification of any document described in section 16, chapter 1, Oregon Laws 2015; or
   (d) The direct supervision of a person described in subsections (a) to (c) of this section.

(2) A marijuana retailer must verify that an individual has a marijuana handler permit issued in accordance with OAR 845-025-XXXX to 845-025-XXXX before allowing the individual to perform any work at the licensed premises.

Stats. Implemented: Sections 19 and 20, chapter 614, Oregon Laws 2015

**845-025-XXXX**

**Marijuana Handler Applications**

(1) In order to obtain a marijuana handler permit an individual must submit an application on a form prescribed by the Commission. The application must contain the applicant’s:
   (a) Name;
   (b) Mailing address;
   (c) Date of birth;
   (d) Signature; and
   (e) Response to conviction history questions.

(2) In addition to the application an applicant must submit:
   (a) A copy of a driver's license or identification card issued by one of the fifty states in the United States of America or a passport;
   (b) The applicable fee as specified in OAR 845-025-XXXX; and
   (c) Proof of having completed a marijuana handler education course and passed the examination.

(2) If an application does not contain all the information requested or if the information and fee required in section (2) of this rule is not provided to the Commission the Commission will return the application to the individual as incomplete, along with the fee.

(3) If an application is returned as incomplete, the individual may reapply at any time.

Stats. Implemented: Sections 19 and 20, chapter 614, Oregon Laws 2015
845-025-XXXX
Marijuana Handler Permit Denial Criteria

(1) The Commission must deny an initial or renewal application if applicant:
(a) Is not 21 years of age or older; or
(b) Has not completed the marijuana handler education course and passed the examination.
(2) The Commission may deny a marijuana handler permit application if the applicant:
(a) Has been convicted of a felony, except for a felony described in section 20(4)(a), chapter 614, Oregon Laws 2015;
(b) Has violated a provision of sections 3 to 70, chapter 1, Oregon Laws 2015, or these rules; or
(c) Makes a false statement to the Commission.
(3) If the Commission denies an application under subsection (2)(b) or (c) of this rule the individual may not reapply within two years of the date the Commission received the application.
(4) A Notice of Denial must be issued by the Commission in accordance with ORS 183.

Stats. Implemented: Sections 19 and 20, chapter 614, Oregon Laws 2015

845-025-XXXX
Marijuana Handler Course Education and Examination Requirements

(1) An individual must, prior to applying for a marijuana handler permit complete an approved marijuana handler education course, pass the required examination, and pay the fee specified in OAR 845-025-XXXX;
(2) An individual must score at least X percent on the marijuana handler course examination in order to pass.
(a) An individual who does not pass the examination may retake the examination up to two times within 90 days of the date the individual took the course. If the individual fails to pass both retake examinations the individual must retake the handler education course.
(3) An individual must take a marijuana handler education course at least every five years prior to applying for renewal of a marijuana handler permit.

Stats. Implemented: Sections 19 and 20, chapter 614, Oregon Laws 2015

845-025-XXXX
Marijuana Handler Renewal Requirements

(1) An individual must renew his or her marijuana handler permit every five years by submitting a renewal application, prescribed by the Commission and the applicable fee specified in OAR 845-025-XXXX.
(2) Renewal applications will be reviewed in accordance with OAR 845-025-XXXX.

Stats. Implemented: Sections 19 and 20, chapter 614, Oregon Laws 2015
Suspension or Revocation

(1) The Commission may suspend or revoke the permit of any marijuana handler if the handler:
   (a) Has been convicted of a felony, except for a felony described in section 20, chapter 614, Oregon Laws 2015(4)(a);
   (b) Has violated a provision of sections 3 to 70, chapter 1, Oregon Laws 2015, or these rules; or
   (c) Makes a false statement to the Commission.
(2) If an individual’s permit is revoked under sections (1)(b) or (c) of this rule the individual may not reapply within two years from the date a final order of revocation is issued.
(3) A notice of suspension or revocation must be issued by the commission in accordance with ORS 183.

Stats. Implemented: Sections 19 and 20, chapter 614, Oregon Laws 2015
TESTING

845-025-XXXX
Licensee Testing Requirements

Licensees are required to test marijuana items in accordance with OAR 333-007-XXXX to 333-007-XXXX.

Stat. Auth.:  Section 91 and 92, chapter 614, Oregon Laws 2015
Stats. Implemented: Section 91 and 92, chapter 614, Oregon Laws 2015

845-025-XXXX
Labeling, Storage, and Security of Pre-Tested Marijuana Items

(1) Following samples being taken from a harvest or process lot a licensee must:
   (a) Label the harvest or process lot with the following information:
      (A) The laboratory doing the samples;
      (B) The test batch samples numbers, once known;
      (C) The date the samples were taken;
      (D) The harvest or process lot number;
      (E) The licensee’s license number; and
      (F) In bold, capital letters, no smaller than __ font, “PRODUCT NOT TESTED”.
   (b) Store and secure the harvest or process lot in a manner that prevents the product from being tampered with or sold prior to test results being reported.
(2) A harvest or process lot may be stored in more than one receptacle as long as the labeling requirements are met.
(3) If the samples pass testing the product may be sold in accordance with the applicable Commission rules.
(4) If the samples do not pass testing the licensee must comply with OAR 845-025-XXXX.

Stat. Auth.:  Section 91 and 92, chapter 614, Oregon Laws 2015
Stats. Implemented: Section 91 and 92, chapter 614, Oregon Laws 2015

845-025-XXXX
Failed Samples

(1) If a sample fails any initial test the licensee may destroy or dispose of the harvest or process lot in accordance with OAR 845-025-XXXX [waste management rules] or have samples retested in accordance with OAR 333-007-XXXX.
(2) If a sample fails a retest, a licensee must destroy or dispose of a harvest or process lot except as provided in section (3) and (4) of this rule.
(3) If a sample from a batch fails microbiological contaminants, water activity or moisture content testing the licensee may request approval from the Commission for the harvest lot to be used to make cannabinoid concentrate or extract if the processing method uses a hydrocarbon based or CO2 closed loop system. If the Commission approves such a use the cannabinoid
concentrate or extract must still be tested in accordance with OAR 333-007-XXX to 333-007-XXXX.

(4) If a sample from a batch fails for water activity or moisture content the producer may continue to dry or cure the harvest lot. The harvest lot that undergoes additional drying or curing after being tested must be tested again in accordance with OAR 333-007-XXX to 333-007-XXXX.

Stat. Auth.: Section 91 and 92, chapter 614, Oregon Laws 2015
Stats. Implemented: Section 91 and 92, chapter 614, Oregon Laws 2015

845-025-XXXX
Audit Testing or Compliance Testing

(1) The Commission may require a licensee to have samples from a harvest or process lot submitted to a laboratory for testing in order to determine whether the licensee is in compliance with OAR 333-007-XXXX to 333-007-XXXX and these rules, at the licensee’s expense.

(2) Audit testing must comply with OAR 333-007-XXXX to 333-007-XXXX and any applicable ORELAP rules.

(3) The Commission may initiate an investigation of a licensee upon receipt of a tentatively identified compounds report from a laboratory, in accordance with OAR 333-064-XXXX and may require the licensee to submit samples for additional testing, including testing for analytes that are not required by OAR 333-007-XXXX to 333-007-XXXX, at the licensee’s expense.

Stat. Auth.: Section 91 and 92, chapter 614, Oregon Laws 2015
Stats. Implemented: Section 91 and 92, chapter 614, Oregon Laws 2015
PACKAGING AND LABELING

845-025-XXXX
Definitions

For the purposes of OAR 845-025-XXXX to 845-025-XXXX:

(1) “Attractive to minors” means the use of cartoons or a design that resembles a non-cannabis consumer product of the type that is typically marketed to minors.
(2) “Cannabinoid” means any of the chemical compounds that are the active constituents of marijuana.
(3) “Cannabinoid concentrate or extract” means a substance obtained by separating cannabinoids from marijuana by a mechanical, chemical or other process.
(4) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate or extract or the dried leaves or flowers of marijuana have been incorporated.
(5)(a) “Cannabinoid product” means a cannabinoid edible or any other product intended for human consumption or use, including a product intended to be applied to a person’s skin or hair, that contains cannabinoids or the dried leaves or flowers of marijuana.
(b) “Cannabinoid product” does not include:
   (A) Usable marijuana by itself;
   (B) A cannabinoid concentrate or extract by itself; or
   (C) Industrial hemp, as defined in ORS 571.300.
(6) “Cartoon” means any drawing or other depiction of an object, person, animal, creature or any similar caricature that satisfies any of the following criteria:
   (a) The use of comically exaggerated features;
   (b) The attribution of human characteristics to animals, plants or other objects, or the similar use of anthropomorphic technique; or
   (c) The attribution of unnatural or extra-human abilities, such as imperviousness to pain or injury, X-ray vision, tunneling at very high speeds or transformation.
(7) “Child resistant” means packaging that is:
   (a) Designed or constructed to be significantly difficult for children under five years of age to open and not difficult for adults to use properly as defined by 16 CFR 1700.20 (1995); and
   (b) Resealable for any cannabinoid concentrate or extract, or cannabinoid product, intended for more than a single use or containing multiple servings.
(8) “Consumer”:
   (a) Has the meaning given that term in section 1, chapter 614, Oregon Laws 2015; or
   (b) Means a patient or designated primary caregiver receiving a transfer from a medical marijuana dispensary.
(9) “Container” means a sealed, hard or soft-bodied receptacle in which a marijuana item is placed prior to being sold to a consumer.
(10) “Exit Package” means a sealed container provided at the retail point of sale in which any marijuana items already within a container are placed.
(11) “Licensee” has the meaning given that term in OAR 845-025-XXXX.
(12)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.
   (b) “Marijuana” does not include industrial hemp, as defined in ORS 571.300.
(13) “Marijuana item” means marijuana, usable marijuana, a cannabinoid product or a cannabinoid concentrate or extract.
(14) “Processing” means the compounding or conversion of marijuana into cannabinoid products or cannabinoid concentrates or extracts.
(15) “Producing” means:
   (a) Planting, cultivating, growing, trimming or harvesting marijuana; or
   (b) Drying marijuana leaves and flowers.
(16) “Registrant” means a person registered with the Authority under ORS 475.304, 475.314, or section 85, chapter 614, Oregon Laws 2015.
(17) (a) “Usable marijuana” means the dried leaves and flowers of marijuana.
   (b) “Usable marijuana” does not include:
      (A) The seeds, stalks and roots of marijuana; or
      (B) Waste material that is a by-product of producing or processing marijuana.

Stat. Auth.:
Stats. Implemented:

845-025-XXXX
Packaging For Sale to Consumer

(1) The purpose of this rule is to set the minimum standards for the packaging of marijuana items that are sold to the consumer, applicable to:
   (a) A licensee; or
   (b) A registrant who is not exempt from the labeling requirements.
(2) Containers or packaging for marijuana items must protect a marijuana item from contamination and must not impart any toxic or deleterious substance to the marijuana item.
(3) Marijuana items for ultimate sale to a consumer must:
   (a) Be packaged in a container that is child-resistant or if the container is not child-resistant, be placed in an exit package at the time of sale that is child-resistant;
   (b) Be placed in an opaque exit package that does not allow the product to be seen without opening the packaging material;
   (c) Not be packaged or labeled in a manner that is attractive to minors; and
   (d) Be labeled in accordance with OAR 333-007-XXX to 333-007-XXXX.
(4) Packaging may not contain any text that makes an untruthful or misleading statement.
(5) Nothing in this rule:
   (a) Prevents the re-use of packaging that is capable of continuing to be child-resistant, as permitted by rules established by the Commission or the Authority; or
   (b) Prohibits the Commission or the Authority from imposing additional packaging requirements in their respective rules governing licensees and registrants.

Stat. Auth.:
Stats. Implemented:
845-025-XXXX
Wholesaler and Retailer Packaging and Labeling Compliance Requirements

(1) If a wholesaler or a retailer receives a marijuana item that is not packaged or labeled in accordance with OAR 845-025-XXXX to 845-025-XXXX or OAR 333-007-XXXX to 333-007-XXXX the wholesaler or retailer must notify the Commission and return the marijuana item to the licensee who transferred the wholesaler or retailer the marijuana item. The wholesaler or retailer must document the return and the reason for the return in the tracking system.

(2) Sale of a marijuana item that is not packaged and labeled in accordance with (packaging rule/labeling rule) is a category X violation.

Stat. Auth.: Stats. Implemented:

845-025-XXXX
Packaging and Labeling Pre-approval Process

(1) Prior to a marijuana item being sold to a consumer, a licensee or a registrant, if pre-approval is required by the Authority, packaging marijuana items for ultimate sale to a consumer must submit a prototype of the packaging complete with labels affixed to the package for pre-approval by the Commission. The packaging and labels must be accompanied by the following:

(a) A fee as specified in OAR 845-025-XXXX; and
(b) Information including but not limited to:
   (A) The licensee’s license number or the registrant’s registration number; and
   (B) A picture of and description of the item to be placed in the package.

(2) The commission will evaluate the packaging and label in order to determine whether:

(a) The packaging:
   (a) Is child resistant.
   (b) Is marketed in a manner attractive to minors.
   (c) Contains untruthful or misleading content.
   (d) If the packaging is for a cannabinoid edible or other cannabinoid products, is attractive to minors.

(b) The label complies with the Authority’s labeling rules, OAR 333-007-XXXX to 333-007-XXXX.

(3) The commission must review the packaging and labeling and notify the licensee or registrant whether the packaging and labeling is approved and if not approved, a description of the packaging or labeling deficiencies.

(4) If a licensee or registrant’s packaging or labeling is deficient it must correct the deficiencies and resubmit the packaging for pre-approval, but the licensee or registrant is not required to submit an additional fee unless the packaging is found deficient for a second time in which case the licensee must resubmit the packaging or labeling in accordance with subsection (1) of this rule.

(5) If the label affixed to the package is not compliant with OAR 333-007-XXXX to 333-007-XXXX the package will not be approved.

(6) Packages and labels that have been previously approved do not need to be resubmitted if the only changes to the packaging or label are:
(a) Changes in the:
   (A) Harvest or processing date;
   (B) Strain;
   (C) Test results;
   (D) Flavors of edible products;
   (E) Net weight or volume; or
   (F) Harvest or process lot numbers.
(b) The deletion of any non-mandatory label information.
(c) The addition, deletion or change in the:
   (A) UPC barcodes or 2D mobile barcodes (QR codes); or
   (B) Website address, phone number, fax number, or zip code of the licensee or registrant.
(d) The repositioning of any label information on the package.

Stat. Auth.: 
Stats. Implemented:
SEED-TO-SALE TRACKING

845-025-XXXX
Seed-to-Sale Tracking System Requirements

(1) A licensee must:
(a) Use METRC as the primary inventory and recording keeping system.
(b) Have a METRC account activated and functional prior to operating or exercising any privileges of the license and must maintain an active account while licensed.
(2) A licensee must have at least one license holder who is a METRC Administrator and a licensee may authorize additional license holders or licensee representatives to obtain Administrator accounts.
(3) In order to obtain a METRC Administrator account, a license holder must attend and successfully complete all required METRC training. The Commission may also require additional ongoing, continuing education for an individual to retain his or her METRC Administrator account.
(4) A licensee may designate licensee representatives as METRC Users. A designated user must be trained by a METRC Administrator in the proper and lawful use of METRC.
(5) A licensee must:
(a) Maintain an accurate and complete list of all METRC Administrators and METRC Users for each Licensed Premises and must update the list when a new METRC User is trained.
(b) Train and authorize any new METRC Users before those Users are permitted to access METRC or input, modify, or delete any information in METRC.
(c) Cancel any METRC Administrator or User from an associated METRC account if that individual is no longer a licensee representative or the Administrator or User has violated OAR 845-025-XXXX to 845-025-XXXX.
(6) A licensee is accountable for all actions licensee representatives take while logged into METRC or otherwise conducting inventory tracking activities.
(7) Nothing in this rule prohibits a licensee from using secondary separate software applications to collect information to be used by the business including secondary inventory tracking or point of sale systems. Secondary software applications must use METRC data as the primary source of data and must be compatible with updating to METRC. If a licensee uses a separate software application it must:
(a) Accurately transfer all relevant METRC data to and from METRC for the purposes of reconciliations with any secondary systems.
(b) Preserve original METRC data when transferred to and from a secondary application.
(8) If at any point a licensee loses access to METRC for any reason, the licensee must keep and maintain comprehensive records detailing all tracking inventory activities that were conducted during the loss of access.
(a) Once access is restored, all inventory tracking activities that occurred during the loss of access must be entered into METRC.  
(b) A licensee must document when access to the system was lost and when it was restored.  
(c) A licensee may not transport any marijuana items to another licensed premises until such time as access is restored and all information is recorded into METRC.

Stat. Auth.:  
Stats. Implemented:

845-025-XXXX  
Unique Identification (UID) Tags

A licensee must:
(1) Use UID tags issued by a Commission-approved vendor that is authorized to provide UID tags for METRC. Each licensee is responsible for the cost of all UID tags and any associated vendor fees.  
(2) Have an adequate supply of UID tags at all times.  
(3) Properly tag all inventory that is required to have a UID tag.

Stat. Auth.:  
Stats. Implemented:

845-025-XXXX  
METRC User Requirements

(1) A licensee and any designated METRC Administrator or User shall enter data into METRC that fully and transparently accounts for all inventory tracking activities.  
(2) A licensee is responsible for the accuracy of all information entered into METRC.  
(3) An individual entering data into the METRC system may only use that individual’s METRC account.  
(4) A violation of this rule is a Category X violation.

Stat. Auth.:  
Stats. Implemented:

845-025-XXXX  
System Notifications

A licensee must:
(1) Monitor all compliance notifications from METRC and resolve the issues detailed in the compliance notification in a timely fashion. A licensee may not dismiss a compliance
notification in METRC until the licensee resolves the compliance issues detailed in the notification.

(2) Take appropriate action in response to informational notifications received through METRC, including but not limited to notifications related to UID billing, enforcement alerts, and other pertinent information.

Stat. Auth.: Stats. Implemented:

845-025-XXXX
Reconciliation with Inventory

A licensee must:
(1) Use METRC for all inventory tracking activities at a licensed premises.
(2) Reconcile all on-premises and in-transit marijuana item inventories each day in METRC at the close of business, within ___ %.

Stat. Auth.: Stats. Implemented:
TRANSPORTATION AND DELIVERY

845-025-XXXX
Transportation and Delivery of Marijuana Items

(1) Marijuana items may only be transferred between licensed premises by a licensee or licensee representative.
(2) An individual authorized to transport marijuana items must have a valid Oregon Driver’s License;
(3) A licensee must:
   (a) Use a vehicle for transport that is:
      (A) Registered in Oregon;
      (B) Insured at or above the legal requirements in Oregon;
      (C) Capable of securing (locking) the marijuana items during transportation; and
      (D) Capable of refrigeration if perishable marijuana items are being transported.
   (b) Using METRC, generate a transport manifest that accompanies every transport of marijuana items that contains the following information:
      (A) The name, contact information of a licensee representative, licensed premises address and license number of the licensee transporting the marijuana items;
      (B) The name, contact information of the licensee representative, licensed premises address, and license number of the licensee receiving the delivery;
      (C) Product name and quantities (by weight or unit) of each marijuana item to be delivered to each specific destination location;
      (D) The date of transport and approximate time of departure;
      (E) Arrival date and estimated time of arrival;
      (F) Delivery vehicle make and model and license plate number; and
      (G) Name and signature of the licensee’s representative accompanying the transport.
(4) A licensee or licensee representative may transport marijuana items from an originating location to multiple licensed premises as long as each transport manifest correctly reflects the specific inventory destined for specific licensed premises.
(5) All marijuana items must be packaged in shipping containers and labeled in accordance with OAR 845-025-XXXX prior to transport.
(6) A licensee must provide a copy of the transport manifest to each licensed premises receiving the inventory described in the transport manifest, but in order to maintain transaction confidentiality, may prepare a separate manifest for each receiving licensed premises.
(7) A licensee must contact the commission immediately if a vehicle transporting marijuana items is involved in any accident that involves product loss.
(8) Upon receipt of inventory a receiving licensee must ensure that the marijuana items received are as described in the transport manifest.
(9) A receiving licensee must separately document any differences between the quantity specified in the transport manifest and the quantities received. Such documentation shall be made in METRC and in any relevant business records.
(10) A licensee must provide adequate refrigeration for perishable marijuana items during transport.
(11) Any vehicle transporting marijuana items must travel directly from the shipping licensee to the receiving licensee and must not make any unnecessary stops in between except to other licensed premises receiving inventory.

(12) A licensee may transport marijuana for other licensees if the transporting licensee holds a wholesale license.

Stat. Auth.: 
Stats. Implemented:
WASTE MANAGEMENT

845-025-XXXX
Waste Management

(1) A licensee must:
(a) Store, manage and dispose of solid and liquid wastes generated during marijuana production and processing in accordance with applicable state and local laws and regulations including but not limited to:
   (A) Solid waste requirements in ORS 459 and OAR 340 Divisions 93 to 96;
   (B) Hazardous waste requirements in ORS 466 and OAR 340, Divisions 100 to 106; and
   (C) Wastewater requirements in ORS 468B and OAR 340, Divisions 41 to 42, 44 to 45, 53, 55 and 73.
(b) Store marijuana waste in a secured waste receptacle in the possession of and under the control of the licensee.
(2) A licensee may give or sell marijuana waste to a producer, processor or wholesale licensee. Any such transaction must be entered into METRC pursuant to [x-ref seed/sale rule]
(3) In addition to information required to be entered into METRC pursuant to [x-ref seed/sale rule] a licensee must maintain accurate and comprehensive records regarding waste material that accounts for, reconciles, and evidences all waste activity related to the disposal of marijuana.

Stat. Auth.: Stats. Implemented:
ADVERTISING

845-025-XXXX
Purpose and Application of Rules

(1) The Commission serves the interests of the citizens of Oregon by regulating and prohibiting advertising marijuana items in a manner:
(a) That is appealing to minors;
(b) That promotes excessive use;
(c) That promotes illegal activity; or
(d) That otherwise presents a significant risk to public health and safety.
(2) The Commission also serves the interests of Oregonians by allowing competitive advertising for the purpose of informing the public of the availability and characteristics of marijuana.
(3) All marijuana advertising by a licensee must conform to these rules.

Stats. Implemented: Section 2(2)(f), chapter 614, OL 2015

845-025-XXXX
Definitions

As used in OAR 845-025-XXXX through 845-025-XXXX:
(1) "Advertising" is publicizing the trade name of a licensee together with words or symbols referring to marijuana or publicizing the brand name of marijuana or a marijuana product.
(2) "Handbill" is a flyer, leaflet, or sheet that advertises marijuana.
(3) "Radio" means a system for transmitting sound without visual images, and includes broadcast, cable, on-demand, satellite, or internet programming. Radio includes any audio programming downloaded or streamed via the internet.
(4) "Television" means a system for transmitting visual images and sound that are reproduced on screens, and includes broadcast, cable, on-demand, satellite, or internet programming. Television includes any video programming downloaded or streamed via the internet.

Stats. Implemented: Section 2(2)(f), chapter 614, OL 2015

845-025-XXXX
Advertising Restrictions

(1) Marijuana advertising may not:
(a) Contain statements that are deceptive, false, or misleading;
(b) Contain any content that specifically targets individuals under the age of 21, including but not limited to cartoon characters, toys, or similar images and items typically marketed towards minors;
(c) Specifically encourages the transportation of marijuana items across state lines;
(d) Assert that marijuana items are safe because they are regulated by the commission or have been tested by a certified laboratory or otherwise make claims that any government agency endorses or supports marijuana;
(e) Make claims that recreational marijuana has curative or therapeutic effects;
(f) Display consumption of marijuana items;
(g) Contain material that encourages the use of marijuana because of its intoxicating effect; or
(h) Contain material that encourages excessive or rapid consumption.
(2) A marijuana retailer may not make any deceptive, false, or misleading assertions or statements on any product, any sign, or any document provided to a consumer.
(3) A licensee must include the following statement on all advertising:
(a) “Do not operate a vehicle or machinery under the influence of this drug”.
(b) "For use only by adults twenty-one and older.”
(c) “Keep out of the reach of children.”

Stats. Implemented: Section 2(2)(f), chapter 614, OL 2015

845-025-XXXX
Advertising Media, Coupons, and Promotions

(1) The Commission prohibits advertising through handbills that are posted or passed out in public areas such as parking lots and publicly owned property; and
(2) A licensee may not utilize television, radio, print media or internet advertising unless the licensee has reliable evidence that no more than 30 percent of the audience for the program, publication or internet web site in or on which the advertising is to air or appear is reasonably expected to be under the age of 21.
(3) A licensee may not engage in advertising via marketing directed towards location-based devices, including but not limited to cellular phones, unless the marketing is a mobile device application installed on the device by the owner of the device who is 21 year of age or older and includes a permanent and easy opt-out feature.

Stats. Implemented: Section 2(2)(f), chapter 614, OL 2015

845-025-XXXX
Removal of Objectionable and Non-Conforming Advertising

(1) A licensee must remove any sign, display, or advertisement if the Commission finds it violates these rules.
(2) The Commission will notify the licensee and specify a reasonable time period for the licensee to remove any sign, display or advertisement that the Commission finds objectionable.

Stats. Implemented: Section 2(2)(f), chapter 614, OL 2015
INVESTIGATION AND ENFORCEMENT

845-025-XXXX
Responsibility of Licensee, Responsibility for Conduct of Others

Each licensee is responsible for violations of any provision of chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2014, or chapter 699, Oregon Laws 2015, affecting the licensed privileges, or these rules and for any act or omission of a licensee representative that violates any law, administrative rule, or regulation affecting the licensed privileges.

Prohibited Conduct

(1) Access to Premises. A licensee or permittee may not:
(a) During regular business hours for the licensed premises, refuse to admit or fail to promptly admit a Commission regulatory specialist who identifies him or herself and who enters or wants to enter a licensed premises to conduct an inspection to ensure compliance with chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2014, or chapter 699, Oregon Laws 2015, affecting the licensed privileges, or these rules;
(b) Outside of regular business hours or when the premises appear closed, refuse to admit or fail to promptly admit a Commission regulatory specialist who identifies him or herself and requests entry on the basis that there is a reason to believe a violation of chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2014, or chapter 699, Oregon Laws 2015, affecting the licensed privileges, or these rules;
(c) Once a regulatory specialist is on the licensed premises, ask the regulatory specialist to leave until the specialist has had an opportunity to conduct an inspection to ensure compliance with chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2014, or chapter 699, Oregon Laws 2015, affecting the licensed privileges, or these rules.
(d) Violation of this section is a Category II violation.

(2) Use or Consumption of Intoxicants on Duty and Under the Influence on Duty.
(a) No licensee, licensee representative, or permittee may consume any intoxicating substances while on duty. Violation of this subsection is a Category III violation.
(b) No licensee, licensee representative, or permittee may be under the influence of intoxicating substances while on duty. Violation of this subsection is a Category III violation.
(c) Whether a person is paid or scheduled for a work shift is not determinative of whether the person is considered “on duty.”
(d) As used in this section:
   (A) “On duty” means:
      (i) From the beginning to the end of a work shift for the licensed business, including any and all coffee, rest or meal breaks; or
      (ii) Performing any acts on behalf of the licensee or the licensed business outside of a work shift if the individual has the authority to put himself or herself on duty.
As used in this section.
(B) “Intoxicants” means any substance that is known to have or does have intoxicating effects, and includes alcohol, marijuana, or any other controlled substances.

(3) **Permitting Use of Marijuana at Licensed Premises.** A licensee or permittee may not permit the use or consumption of marijuana, or any other intoxicating substance, anywhere in or on the licensed premises, or in surrounding areas under the control of the licensee. Violation of this section is a Category III violation.

(4) **Import and Export.** A licensee or permittee may not import marijuana items into this state or export marijuana items out of this state. Violation of this section is a Category I violation and could result in license or permit revocation.

(5) **Permitting, Disorderly or Unlawful Conduct.** A licensee or permittee may not permit disorderly activity or activity that is unlawful under Oregon state law on the licensed premises or in areas adjacent to or outside the licensed premises under the control of the licensee.

(a) If the prohibited activity under this section results in death or serious physical injury, or involves unlawful use or attempted use of a deadly weapon against another person, or results in a sexual offense which is a Class A felony such as first degree rape, sodomy, or unlawful sexual penetration, the violation is a Category I violation and could result in license or permit revocation.

(b) If the prohibited activity under this section involves use of a dangerous weapon against another person with intent to cause death or serious physical injury, it is a Category II violation.

(c) As used in this section:

   (A) “Disorderly activities” means activities that harass, threaten or physically harm another person.

   (B) “Unlawful activity” means activities that violate the laws of this state, including but not limited to any activity that violates a state criminal statute.

(d) The Commission does not require a conviction to establish a violation of this section except as section 13(1)(f), chapter 614, Oregon Laws 2015 requires.

(6) **Marijuana as a Prize, Premium or Consideration.** No licensee or permittee may give or permit the giving of any marijuana item as a prize, premium, or consideration for any lottery, contest, game of chance or skill, exhibition, or any competition of any kind on the licensed premises. Violation of this section is a Category V violation.

(7) **Visibly Intoxicated Persons.** No licensee or permittee may sell, give, or otherwise make available any marijuana item to any person who is visibly intoxicated. Violation of this section is a Category X violation.

(8) **Additional Prohibitions.** A licensee or permittee may not:

(a) Sell or deliver any marijuana item through a drive-up window. Violation of this subsection is a Category III violation.

(b) Sell or offer for sale any marijuana item for a price per item that is less than the licensee’s cost for the marijuana item;

(c) Use any device or machine that both verifies the age of the consumer and delivers marijuana to the consumer; or

(d) Deliver marijuana to a consumer off the licensed premises, except that retail licensees may provide delivery as set forth in OAR 845-025-xxxx (bona fide purchase).

(e) Violation of this subsection is a Category X violation.
845-025-XXXX
Dishonest Conduct

(1) False Statements. A licensee or permittee may not:
(a) Make a false statement or representation to the Commission or law enforcement in order to induce or prevent action or investigation by the Commission or law enforcement. Violation of this subsection is a Category I violation.
(b) If the Commission finds that the false statement or representation was intentional, the Commission may charge the violation as a Category I violation and could result in license or permit revocation.

(2) Marijuana Item Misrepresentations.
(a) A licensee or permittee may not misrepresent any marijuana item to a consumer, licensee, or the public, including:
   (A) Misrepresenting the contents of a marijuana item;
   (B) Misrepresenting the testing results of a marijuana item;
   (C) Misrepresenting the potency of a marijuana item; or
   (D) Making representations or claims about the beneficial uses, qualities or properties of the marijuana item that are inconsistent with OAR 333-xxx-xxxx.
(b) A licensee may not treat or otherwise adulterate usable marijuana with any chemical, biologically active drug, plant, substance, including nicotine, or other compound that has the effect or intent of altering the usable marijuana’s color, appearance, weight or smell in violation of OAR 845-025-XXXX.
(c) A knowing or intentional violation of this section is a Category I violation and could result in license or permit revocation.
(d) Violation of this section in any manner other than knowing or intentional is a Category II violation.

(3) Supply of Adulterated Marijuana Items.
(a) A licensee may not supply adulterated marijuana items.
(b) Violation of this section is a Category I violation and could result in license revocation.

(4) Evidence. A licensee or permittee may not:
(a) Intentionally destroy, damage, alter, remove or conceal potential evidence, or attempt to do so, or ask or encourage another person to do so. Violation of this subsection is a Category I violation and could result in license cancellation.
(b) Destroy, damage, alter, remove or conceal potential evidence, or attempt to do so, or ask or encourage another person to do so, in any manner other than intentional. Violation of this subsection is a Category II violation.
(c) Refuse to give, or fail to promptly give, a Commission regulatory specialist or law enforcement officer evidence when lawfully requested to do so. Violation of this subsection is a Category X violation.

Stat. Auth.: 
Stats. Implemented:
Inspections

(1) The commission may conduct:
(a) A complaint inspection at any time following the receipt of a complaint that alleges a licensee or permittee is in violation of chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015, chapter 699, Oregon Laws 2015, or these rules;
(b) An inspection at any time if it believes, for any reason, that a licensee or permittee is in violation of chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015, chapter 699, Oregon Laws 2015, or these rules; or
(c) Compliance buys in order to determine whether a licensee or permittee is complying with chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015, chapter 699, Oregon Laws 2015, or these rules.

(2) A licensee, licensee representative, or permittee must cooperate with the Commission during an inspection.

(3) If licensee, licensee representative or permittee fails to permit the Commission to conduct an inspection the Commission may seek an investigative subpoena to inspect the premises and gather books, payrolls, accounts, papers, documents or records.

Stat. Auth.: Stats. Implemented:

845-025-XXXX
Suspended Licenses: Posting of Suspension Notice Sign, Activities Allowed During Suspension

(1) Before 7:00 a.m. on the date a license suspension goes into effect, and until the suspension is completed, Commission staff must ensure that a suspension notice sign is posted on each outside entrance or door to the licensed premises.

(2) The suspension notice sign must be posted in a way that allows any person entering the premises to read it. Licensees must use the suspension notice sign provided by the Commission. The sign will state that the license has been suspended by order of the Commission due to violations of the recreational marijuana laws (statutes or administrative rule) of Oregon. If there are multiple licenses at the location, the sign will specify which license privileges have been suspended.

(3) During the period of license suspension, the licensee is responsible for ensuring:
(a) Compliance with all applicable laws and rules, including compliance with all minor postings assigned to the premises under OAR 845-025-XXXX; and
(b) That the suspension notice sign is not removed, altered, or covered.

(4) A licensee or licensee representative may not allow the sale, delivery to or from, or receipt of marijuana items at the licensed premises during the period of time that the license is under suspension. During a period of time that the license is under suspension, a recreational marijuana licensee may operate the business provided there is no sale, delivery to or from, or receipt of a marijuana item.

(5) Sanction:
(a) A violation of section (4) of this rule is a Category I violation.
(b) A violation of sections (2) or (3)(b) of this rule is a Category IV violation.