

OFFICE OF THE SECRETARY OF STATE
DENNIS RICHARDSON
SECRETARY OF STATE

LESLIE CUMMINGS
DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION
MARY BETH HERKERT
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 845
OREGON LIQUOR CONTROL COMMISSION

FILED
10/31/2018 3:40 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: The amendments revise Division 25 rules with both technical and 2018 legislative revisions.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/30/2018 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

CONTACT: Bryant Haley
503-872-5136
bryant.haley@oregon.gov

9079 SE McLoughlin Blvd
Portland, OR 97222

Filed By:
Bryant Haley
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 11/16/2018

TIME: 10:00 AM

OFFICER: Bryant Haley

ADDRESS: Oregon Liquor Control
Commission
9079 SE McLoughlin Blvd
Portland, OR 97222

NEED FOR THE RULE(S):

Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges and prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions within this package align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

2018 Oregon Legislature Senate Bill 1544 (available from the Oregon State Legislature, Office of Legislative Counsel).

- 2018 Oregon Legislature Senate Bill 1544 Fiscal and Revenue Impact (available from Oregon State Legislature, Legislative Revenue Office).
- ORS 475B (available from the Oregon State Legislature, Office of Legislative Counsel).
- OLCC 2018 Bill and Technical Package Rule file (available from the Oregon Liquor Control Commission).

FISCAL AND ECONOMIC IMPACT:

This statement takes into account the fiscal impact on: (a) Marijuana Licensees; (b) Local Government; (c) State Agencies; and (d) the Public.

(a) Marijuana Licensees.

These rules implement both legislative changes made by the 2018 Oregon legislature and technical revisions to Division 25. Licensees of the Commission may experience varying effects based upon the legislative and technical changes. Those changes include:

The amendments to OAR 845-025-1230 enable licensees to license unenclosed areas of a licensed premises. The change would enable licensees to demonstrate adequate security measures in lieu of having a fully enclosed facility. The Commission would maintain approval/denial on a case-by-case basis. The Commission forecasts this will provide more leeway for licensees and have a positive fiscal impact.

The amendments to OAR 845-025-1190 & 845-025-5540 enable the Commission to prescribe a time period in which an applicant for a license or a worker permit must submit required materials. Further, it gives the Commission the authority to deny applications that are missing required information, materials or fees. This would enable the Commission to lighten some of the backlog and provide service to licensees and permittees that have properly submitted all required materials. The Commission forecasts this will have a positive fiscal impact upon the industry as a whole.

The amendments to OAR 845-025-1060 and 845-025-7160 enable the Commission to charge a fee for licensees transferring package and label applications between licenses. The transfer of an application from one account to another requires staff to perform an additional review of the package or label to ensure the package or label is still in compliance with the rules. The Commission forecasts this that this will have a financial impact for some licensees; however, the packaging and labeling program is a fee-funded program.

The amendments to OAR 845-025-1015 and 845-025-1115 enable an applicant for a license to show good cause to overcome a prior criminal conviction that is a basis for license denial. The Commission forecasts that this will have a positive impact upon applicants, as they will have more clarity on how the Commission evaluates licensees ability based on prior criminal convictions.

The amendments to OAR 845-025-1430, 845-025-1440 and 845-025-1450 amend the camera coverage rules in several ways. First, the amendments to OAR 845-025-1440 clarify the Commission's expectations around marijuana waste surveillance. Second, the amendments to OAR 845-025-1440 and 845-025-1450 propose a tiered sanction schedule for days of missing surveillance recordings per amount of missing footage and re-imagine the violation structure for violations of the camera rules due to issues within the industry. The Commission forecasts that these changes will have a positive impact upon the industry.

The amendments to OAR 845-025-2040 clarify that canopies must either be quadrilateral or that producers must use a surveyor licensed by the State of Oregon to prove that their canopies are within their licensed allowance. The Commission forecasts this will have a positive fiscal impact upon the industry, as it will provide licensees with an option to certify that their canopy is within the licensed limits regardless of shape. That said, licensees may incur costs to use this option.

The amendments to OAR 845-025-2060 reinstate the deadline of July 1, 2018 for producer applicants to qualify for the ability to bring marijuana genetics (i.e. plants, seeds, tissue cultures) into the regulated market, so long as they have submitted an application by the deadline. This concept was appropriate for the start of the market but essentially is a loophole in the seed-to-sale tracking system. The Commission forecasts that the continued allowance to bring genetics into the system will have a positive impact for applicants, as they will be able to bring new strains into the industry.

The amendments to OAR 845-025-2800 limit sales of medical marijuana in OLCC licensed retail stores to 4 oz. a day for patients or designated primary caregivers with a total allowance of 24 oz. in a month. In summer 2018, Commission became aware of large daily purchases of medical marijuana and enacted limits to curb the behavior it foresaw as possible diversion. The Commission forecasts that the proposed changes will have a positive impact upon both patients and retail stores; however, the Commission has heard significant comment on this issue and will take comments on the amounts into consideration.

The amendments to OAR 845-025-3255 sunset the shared kitchen allowance for edible makers on January 1, 2019. The Commission has found the concept to be particularly burdensome for compliance. Specifically, licensees implementing this business model have had difficulty maintaining schedules which in turn has caused trouble for OLCC enforcement staff. The Commission will allow current licensees to continue to operate and renew their licenses. The Commission does foresee that repealing this license operation type will have a potential negative impact to future applicants, but deems it necessary from a compliance standpoint to repeal the concept.

The amendments to OAR 845-025-3260 clarify the Commission's requirements in regards to building and fire code certifications. The Commission has worked with processors and public safety officials to correctly apply the pertinent codes to these licensees. The Commission forecasts that these issues may continue to have a financial impact upon processor licensees. This is due to jurisdictional issues and the availability of personnel available to make such approvals in differing areas of the state.

The amendments to OAR 845-025-7750 clarify the Commission's expectations of licensees around storage, security and camera coverage of marijuana waste. The Commission has adjusted the requirements for camera coverage of waste with more prescriptive language due to issues of diversion. The Commission forecasts these amendments may have an impact upon licensees.

The amendments to OAR 845-025-8520 clarify that the Commission considers a loss of access to the licensed premises a Category 1 violation, as the licensee has essentially lost control of marijuana items. The Commission forecasts that this could have an impact upon licensees who rent their location.

The proposed adoption of OAR 845-025-8575 clarifies the Commission's practice of restricting license privileges when a licensee agrees to restrictions rather than pursue a contested case hearing. The Commission forecasts that this will have a positive fiscal impact upon licensees who face possible cancellation or a serious violation. Specifically, the rule will enable licensees to enter into an agreement with the Commission to continue to operate in a restricted manner and not lose their license.

The amendments to OAR 845-025-8580 clarify what activities are allowed during a license suspension. The Commission forecasts that these changes will help enable a licensee decide whether to pay a civil penalty or take a suspension when facing an administrative violation.

The amendments to OAR 845-025-8590 clarify how the Commission will treat a situation when the Commission discovers an unapproved interest in a license. Specifically, any individual found to have an unapproved interest in a license will be given a record of a poor record of compliance. This will be discoverable if the individual ever attempts to become licensed with the Commission. The Commission forecasts that this will have a neutral impact upon current licensees who are abiding by the law.

(b) Local Government.

The Commission expects that local governments that choose to engage in allowing and licensing recreational marijuana businesses will have both a positive and negative fiscal impact. . At this time, the Commission cannot estimate whether those licensing fees and taxes will offset the costs of regulation, as the market is still evolving.

(c) State Agencies.

These rules will incur costs to state agencies for code enforcement, compliance with other regulations and safety issues. The effected agencies include but are not limited to the Oregon Liquor Control Commission, Oregon Health Authority and Oregon Department of Agriculture. However, the recreational marijuana market is still emerging and the Commission cannot fully quantify those costs at this time.

That said, during the Advisory Committee the Commission held on marijuana processors, local officials discussed the difficulty of building and fire code enforcement. Particularly, committee members discussed how Oregon has a patch work of compliance bodies and that certain jurisdictions simply do not have the resources that other jurisdictions have. This led to a robust conversation about what the Commission should require to meet safety standards.

(d) The Public.

The Commission forecasts that the public should continue to benefit from the regulation and taxation of marijuana. However, regulation and enforcement will incur costs.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

The Commission expects that local governments that choose to engage in allowing and licensing recreational marijuana businesses will have both a positive and negative fiscal impact. Further, several state agencies will continue to be impacted by the continued emergence and consolidation of the recreational market. At this time, the Commission cannot estimate whether those licensing fees and taxes will offset the costs of regulation, as the market is still evolving.

The Commission forecasts that the public should continue to benefit from the regulation and taxation of marijuana. However, regulation and enforcement will incur costs.

2. Cost of compliance, effect on small business (ORS 183.336):

a. Estimate the number of small businesses and types of business and industries with small businesses subject to the rule:

As of October 30, 2018, the Commission has 2,079 licenses of the five recreational marijuana license types (producer, processor, wholesaler, laboratory and retailer).

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

In order to comply with ORS 475B and subsequent legislation passed by the 2018 Oregon Legislature, licensees will incur costs relating to reporting, record keeping and other administrative activities required for compliance. The Commission has continued to listen and work with various interests to create rules that meet the legal requirements while sensibly establishing compliance standards.

c. Equipment, supplies, labor and increased administration required for compliance:

In order to comply with ORS 475B and subsequent legislation passed by the 2018 Oregon Legislature, licensees will incur costs relating to reporting, record keeping and other administrative activities required for compliance. The

Commission has continued to listen and work with various interests to create rules that meet the legal requirements while sensibly establishing compliance standards.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The Commission held three advisory committees in order to fully address the legislative changes. Specifically, the Commission held advisory committees on the following topics:

August 16, 2018 - Waste Sub Group

- The Commission met with industry partners to review changes to how licensees handle waste. The group discussed how best to tighten up waste rules, as the Commission had become aware of instances of diversion.

September 7, 2018 – Processor Issues

- The Commission held an advisory committee with both industry and public safety partners on how best to adjust the rules. The committee particularly focused upon building occupancy and fire code issues.

September 19, 2018 - Medical Marijuana Limits

- The Commission met with industry partners to review the changes to the amount of marijuana a licensee could sell to a patient or primary caregiver. The Commission had become aware large purchases of medical marijuana and enacted limits to curb the behavior. The committee discussed appropriate ways to limit diversion and discussed patient access concerns.

October 22, 2018 - Bill and Technical Package

This group discussed the changes enacted by SB 1544 and discussed staff's proposed technical revisions.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

RULES PROPOSED:

845-025-1015, 845-025-1030, 845-025-1060, 845-025-1115, 845-025-1160, 845-025-1190, 845-025-1230, 845-025-1330, 845-025-1360, 845-025-1410, 845-025-1430, 845-025-1440, 845-025-1450, 845-025-2000, 845-025-2020, 845-025-2025, 845-025-2040, 845-025-2045, 845-025-2060, 845-025-2090, 845-025-2100, 845-025-2130, 845-025-2550, 845-025-2800, 845-025-2840, 845-025-2880, 845-025-3200, 845-025-3210, 845-025-3215, 845-025-3250, 845-025-3255, 845-025-3260, 845-025-3305, 845-025-3500, 845-025-3510, 845-025-5000, 845-025-5500, 845-025-5540, 845-025-5590, 845-025-7000, 845-025-7030, 845-025-7160, 845-025-7570, 845-025-7700, 845-025-7750, 845-025-8520, 845-025-8575, 845-025-8580, 845-025-8590

AMEND: 845-025-1015

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions within this package align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

Definitions ¶¶

For the purposes of OAR 845-025-1000 to 845-025-8590, unless otherwise specified, the following definitions apply:¶¶

- (1) ~~"Adulterated" means~~ adulterated substance" means any component or ingredient added to usable marijuana, cannabinoid concentrate or cannabinoid extract during or after processing that is present in the final cannabinoid product, including but not limited to flavors, non-marijuana derived terpenes, and any substances used to change the viscosity or consistency of the cannabinoid product.¶¶
- (2) "Administrative violation" means an administrative agency has taken a final action finding that an individual, or a legal entity that the individual is part of, violated a regulation of that administrative agency.¶¶
- (3) "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 consists in whole or in part of any filthy, putrid, or decomposed substance, or otherwise is unfit for human consumption;¶¶
- (d) 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;¶¶
- (e) It is processed, prepared, packaged, or held under insanitary conditions increasing the probability of contamination or cross-contamination;¶¶
- (f) It is held or packaged in receptacles or containers composed, in whole or in part, of any poisonous or deleterious substance rendering the contents potentially injurious to health;¶¶
- (g) Any substance has been substituted wholly or in part therefor;¶¶
- (h) Damage or inferiority has been concealed in any manner; or¶¶
- (i) 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.¶¶
- (24) "Attractive to minors" means packaging, labeling and advertising that features:¶¶
- (a) Cartoons;¶¶
- (b) A design, brand or name that resembles a non-cannabis consumer product of the type that is typically marketed to minors;¶¶
- (c) Symbols or celebrities that are commonly used to market products to minors;¶¶
- (d) Images of minors; or¶¶
- (e) Words that refer to products that are commonly associated with minors or marketed by minors.¶¶
- (35) "Authority" means the Oregon Health Authority.¶¶
- (46) "Business day" means Monday through Friday excluding legal holidays.¶¶
- (57) "Cannabinoid" means any of the chemical compounds that are the active constituents of marijuana or industrial hemp.¶¶
- (68) "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 solvent carbon dioxide, provided that the process does not involve the use of high heat or pressure; or¶¶
- (d) Any other process identified by the Commission, in consultation with the Authority, by rule.¶¶
- (79) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or flowers have been incorporated.¶¶

- (810) "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 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.
- (911) ~~Cannabinoid Product~~ Means:
- (A) 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;
 - (B) "Cannabinoid product" usable marijuana, cannabinoid extracts and cannabinoid concentrates that have been combined with an added substance; or
 - (C) Any combination of usable marijuana, cannabinoid extracts and cannabinoid concentrates.
- (b) Does not include:
- (A) Usable marijuana by itself;
 - (B) A cannabinoid concentrate by itself;
 - (C) A cannabinoid extract by itself; or
 - (D) Industrial hemp, as defined in ORS 571.300.
- (102) "Cannabinoid tincture" means a solution of alcohol, liquid cannabinoid product packaged in a container of 4 fluid ounces or less that consists of either a non-potable solution comprised of:
- (a) At least 25% non-denatured alcohol, in addition to cannabinoid concentrate or extract or usable marijuana, and perhaps other ingredients intended for human consumption or ingestion, and that is exempt from the Liquor Control Act under ORS 471.035; or
 - (b) Glycerin, plant-based oil, or concentrated syrup; cannabinoid concentrate, extract or usable marijuana; and other ingredients that does not contain any added sweeteners and is intended for human consumption or ingestion.
- (113) "Cannabis Tracking System" or "CTS" means the system for tracking the transfer of marijuana items and other information as authorized by ORS 475B.15077.
- (12) ~~4~~ "Cartoon" means any drawing or other depiction of an object, person, animal, creature or any similar caricature which may exhibit 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.
- (135) "Common Ownership" means any commonality between individuals or legal entities named as applicants or persons with a financial interest in a license or business proposed to be licensed. This does not include the leasing of the property to another licensee at a commercially reasonable rate if there is no other financial interest in the other licensed business
- (146) "Compliance transaction" 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.
- (157) "Container" ~~is~~ Means a sealed, hard or soft-bodied receptacle in which a marijuana item is placed prior to being sold to a consumer, and any outer receptacle intended to display a marijuana item for ultimate sale to a consumer.
- (b) Does not mean:
 - (A) Inner wrapping or lining;
 - (B) An exit package; or
 - (C) A shipping container used to transfer marijuana items or industrial commodities or products in bulk from one licensee or registrant to another.
- (168) "Contractor" means a person, other than a licensee representative, who temporarily visits the licensed

premises to perform a service, maintenance or repair.¶

(179) "Commission" means the Oregon Liquor Control Commission.¶

(1820) "Commissioner" means a member of the Oregon Liquor Control Commission.¶

(219) "Consumer" means a person who purchases, acquires, owns, holds or uses marijuana items other than for the purpose of resale.¶

(202) "Date of Harvest" means the date the mature marijuana plants in a harvest lot were cut, picked or 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 cut, picked or removed from the soil or other growing media. and the last mature marijuana plant in the harvest lot was harvested.¶

(213) "Designated primary caregiver" has the meaning given that term in ORS 475B.410-791.¶

(224) (a) "Financial consideration" means value that is given or received either directly or indirectly through sales, barter, trade, fees, charges, dues, contributions or donations.¶

(b) "Financial consideration" does not include marijuana, cannabinoid products or cannabinoid concentrates that are delivered within the scope of and in compliance with ORS 475B.245-301.¶

(235) "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.¶

(a) Financial interest includes but is not limited to:¶

(A) Receiving, as an employee or agent, out-of-the-ordinary compensation, either in the form of overcompensation or under compensation;¶

(B) Lending money, real property or personal property to an applicant or licensee for use in the business that constitutes a substantial portion of the business cost or is lent at a commercially unreasonable rate;¶

(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 qualify for a "domestic partnership" as defined under ORS 106.310.¶

(b) Financial interest does not include any investment that the investor does not control in nature, amount or timing.¶

(246) "Flowering" means a marijuana plant that has formed a mass of pistils measuring greater than two centimeters wide at its widest point.¶

(257) "Grow site good cause" means a location registered under ORS 475B.420 where marijuana is produced for use by a patient or, with permission from a patient, for transfer to a registered processing site or dispensary factors that go toward showing whether or not the basis to deny the license is overcome. Good cause factors may weigh in the applicant's favor, may not weigh in the applicant's favor, or are neutral.¶

(268) "Hemp Grower Grow site" means a person or entity that is registered with the Oregon Department of Agriculture under ORS 571.305 to produce industrial hemp.¶

(27) "Hemp Handler" means a person or entity that is registered with the Oregon Department of Agriculture under ORS 571.305 to process industrial hemp into commodities, products or agricultural hemp seed.¶

(28) "Hemp item" has the meaning set out in OAR 603-048-2310(14) cific location registered by the Authority and used by the grower to produce marijuana for medical use by a specific patient under ORS 475B.810.¶

(29)(a) "Harvest" means the physical act of cutting or picking flowers or leaves from a marijuana plant or removing mature marijuana plants from the soil or other growing media.¶

(b) "Harvest" does not include pruning or removing waste material from a marijuana plant remaining in soil or other growing media.¶

(2930) "Harvest lot" means a specifically identified quantity of marijuana that is, cultivated utilizing the same growing practices and harvested within a 72 hour period at the same location and cured under uniform conditions.¶

(301) "Immature marijuana plant" means a marijuana plant that is not flowering.¶

(31) "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.¶

- (32) "Inventory Tracking" means all of the activities and documentation processes required by these rules to track marijuana and marijuana items from seed to sale in the cannabis tracking system.¶¶
- (33) "Industrial hemp":¶¶
- (a) Means all non-seed parts and varieties of the Cannabis plant, whether growing or not, that contain an average tetrahydrocannabinol concentration that does not exceed 0.3 percent on a dry weight basis.¶¶
- (b) Means any Cannabis seed:¶¶
- (A) That is part of a crop;¶¶
- (B) That is retained by a hemp grower for future planting;¶¶
- (C) That is agricultural hemp seed;¶¶
- (D) That is for Hemp Grower" means a person or entity that is registered with the Oregon Department of Agriculture under ORS 571.305 to produce industrial hemp.¶¶
- (32) "Hemp Handler" means a person or entity that is registered with the Oregon Department of Agriculture under ORS 571.305 to process,ing into or for use as agricultural hemp seed; or¶¶
- (E) That has been processed in a manner or to an extent that the Cannabis seed is incapable of gdustrial hemp into commodities, products or agricultural hemp seed.¶¶
- (33) "Immature marijuana plant" means a marijuana plant that is not flowermination.¶¶
- (c) Does not mean industrial hemp commodities or products.¶¶
- (34) "Industrial hemp concentrate" means an industrial hemp product obtained by separating cannabinoids from industrial hemp by:¶¶
- (a) A mechanical process;¶¶
- (b) A chemical extraction process using a nonhydrocarbon-based solvent, such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;¶¶
- (c) A chemical extraction process using carbon dioxide, provided that the process does not involve the use of high heat or pressure; or¶¶
- (d) Any other process identified by the State Department of Agriculture by rule.¶¶
- (35) "Industrial hemp commodity or product" means an item processed by a handler or processor containing any industrial hemp or containing any chemical compounds derived from industrial hemp, including CBD derived from industrial hemp. "Industrial hemp commodity or product" does not include industrial hemp that has been minimally processed or has not been processed in any form.¶¶
- (36) "Industrial hemp extract" means an industrial hemp product obtained by separating cannabinoids from industrial hemp by:¶¶
- ¶¶
- (a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane or propane;¶¶
- (b) A chemical extraction process using carbon dioxide, if the process uses high heat or pressure; or¶¶
- (c) Any other process identified by the State Department of Agriculture by rule.¶¶
- (34) "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.¶¶
- (35) "Intended for human use" means intended to be used by applying it to a person's skin or hair, inhalation or otherwise consuming the product except through the mouth.¶¶
- (36) "Inventory Tracking" means all of the activities and documentation processes required by these rules to track marijuana and marijuana items from seed to sale in the cannabis tracking system.¶¶
- (37) "Invited guests" means family member and business associates of the licensee, not members of the general public.¶¶
- (38) "Laboratory" means a laboratory certified by the Authority under ORS 438.605 to 438.620 and authorized to sample or test marijuana items for purposes specified in these rules.¶¶
- (39) "Laboratory licensee" means a laboratory licensed under ORS 475B.560 and includes individuals and entities identified as a licensee as defined in this rule.¶¶
- (40) "Licensee" means any person who holds a license issued under ORS 475B.070, 475B.090, 475B.100, ~~475B.110~~, or 475B.560~~105~~ and includes:¶¶

- (a) Each applicant listed on an application that the Commission has approved;¶
- (b) Each individual who meets the qualification described in OAR 845-025-1045 and who the Commission has added to the license under OAR 845-025-1030; or¶
- (c) Each individual who has a financial interest in the licensed business and who the Commission has added to the license under OAR 845-025-1030.¶
- (401) "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.¶
- (412) "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 consumer sales area on a licensed retailer premises.¶
- (423) "Marijuana".¶
- (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.¶
- (434) "Marijuana flowers" means the flowers of the plant genus Cannabis within the plant family Cannabaceae.¶
- (445) "Marijuana items" means marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts.¶
- (456) "Marijuana leaves" means the leaves of the plant genus Cannabis within the plant family Cannabaceae.¶
- (467) "Marijuana processor" means a person who processes marijuana items in this state.¶
- (478) "Marijuana producer" means a person who produces marijuana in this state.¶
- (489) "Marijuana retailer" means a person who sells marijuana items to a consumer in this state.¶
- (4950) "Marijuana wholesaler" means a person who purchases marijuana items in this state for resale to a person other than a consumer.¶
- (501) "Mature marijuana plant" means a marijuana plant that is not an immature marijuana plant.¶
- (512) "Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid extract" means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a concentration of tetrahydrocannabinol that is permitted under ORS 475B.625 for consumers who hold a valid registry identification card issued under ORS 475B.415-797.¶
- (523) "Micro-Wholesaler" means a marijuana wholesaler licensed by the Commission that only purchases or receives seeds, immature plants or usable marijuana from a producer with a micro tier I or tier II canopy.¶
- (534) "Minor" means any person under 21 years of age.¶
- (55) "Negative intervening circumstance" means an incident other than a relevant conviction that shows the individual's tendency to continue to disobey laws, rules, and regulations.¶
- (546) "Non-Toxic" means not causing illness, disability or death to persons who are exposed.¶
- (557) "Non-profit Dispensary" means a medical marijuana dispensary registered under ORS 475B.450858, owned by a nonprofit corporation organized under ORS chapter 65, and that is in compliance with the Authority's rules governing non-profit dispensaries in OAR 333, Division 8.¶
- (568) "ORELAP" means the Oregon Environmental Laboratory Accreditation Program administered by the Authority pursuant to ORS 438.605 to 438.620. ¶
- (579) "Permittee" means any person who holds a Marijuana Workers Permit.¶
- (5860) "Person" has the meaning given that term in ORS 174.100.¶
- (5961) "Person responsible for a marijuana grow site" or "PRMG" has the meaning given that term in OAR 333-008-0010.¶
- (602) "Premises" or "licensed premises" includes the following areas of a location licensed under section ORS 475B.070, 475B.090, 475B.100, ~~475B.110~~ or ~~475B.560-105~~.¶
- (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) "Premises" or "licensed premises" does not include a primary residence.¶
- (613) "Primary Residence" means real property inhabited for the majority of a calendar year by an owner, renter or tenant, including manufactured homes and vehicles used as domiciles.¶
- (624) "Principal Officer" includes the president, any vice president with responsibility over the operation of a licensed business, the secretary, the treasurer, or any other officer designated by the Commission.¶
- ~~(63) "Person responsible for a marijuana grow site," or "PRMG" means any individual designated by a patient to produce marijuana for the patient, including a patient who identifies him or herself as a person responsible for the marijuana grow site, who has been registered as a PRMG by the Authority under OAR 333-008-0033.¶~~
- (645) "Processes".¶
- (a) "Processes" means the processing, compounding or conversion of marijuana into cannabinoid products, cannabinoid concentrates or cannabinoid extracts.¶
- (b) "Processes" does not include packaging or labeling.¶
- (656) "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 or different harvest lots; 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 or different harvest lots or process lots of cannabinoid concentrate or extract.¶
- (667) "Producer" means a marijuana producer licensed by the Commission.¶
- (678) "Produces".¶
- (a) "Produces" means the manufacture, planting, propagation, cultivation, growing or harvesting of marijuana.¶
- (b) "Produces" does not include:¶
- (A) The drying of marijuana by a marijuana processor, if the marijuana processor is not otherwise producing marijuana; or¶
- (B) The cultivation and growing of an immature marijuana plant by a marijuana wholesaler or marijuana retailer if the marijuana wholesaler or marijuana retailer purchased or otherwise received the plant from a licensed marijuana producer.¶
- (689) "Propagate" means to grow immature marijuana plants or to breed or produce seeds.¶
- ~~(6970) "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.¶~~
- (701) "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, 474.115, 475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to 475B.655, Commission rules and any other statutes the Commission considers related to regulating liquor or marijuana.¶
- (712) "Registry identification cardholder" or "patient" has the meaning given that term in ORS 475B.410-791.¶
- (73) "Relevant conviction" means a conviction that involved violence or the threat of violence; dishonesty or deception; drugs, alcohol, or other regulated substances; non-compliance with driver license requirements; or a conviction as a felon in possession of a weapon.¶
- (724) "Retailer" means a marijuana retailer licensed by the Commission.¶
- (735) "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.¶

(746) "Sampling laboratory" means a laboratory that only has an ORELAP accredited scope item for sampling under ORS 438.605 to 438.620 and is not accredited to perform cannabis testing.¶

(757) "Security plan" means a plan as described in ~~by~~ OAR 845-025-1030, ~~845-025-1400~~ and ~~845-025-1405~~ that fully describes how an applicant will comply with applicable laws and rules regarding security.¶

(768) "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.¶

(779) "Successful treatment" means:¶

(A) The Commission receives written confirmation from the individual's licensed provider that the individual completed treatment that is related to a relevant conviction and the Commission has determined that the individual has not had another conviction for a similar incident since the completion of the treatment; or¶

(B) The individual is still in a treatment program that is related to a relevant conviction; however, the Commission receives written confirmation from the individual's licensed provider that the provider has determined the individual has demonstrated sufficient success towards stopping the behavior that led to the conviction and the Commission has determined that the individual has not had another conviction for a similar incident since the date the provider determined that the individual demonstrated sufficient success towards stopping the behavior that led to the conviction.¶

(80) "These rules" means OAR 845-025-1000 to 845-025-87590.¶

(781) UID Tags.¶

(a) "UID tag" means unique identification tag ordered and received from the Commission's designated vendor for CTS.¶

(b) "Assigned UID tag" means a unique identification tag that has been designated in CTS and physically attached to a marijuana plant or receptacle holding marijuana items.¶

(c) "UID number" means the 24-digit number on the UID tag that was provided by the Commission's designated vendor for CTS.¶

~~(7982)~~(a) "Usable Marijuana" means the dried leaves and flowers of marijuana.¶

(b) "Usable Marijuana" includes pre-rolled marijuana as long as the pre-roll consists of only dried marijuana leaves and flowers, an unflavored rolling paper and a filter or tip.¶

(c) "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.¶

(803) "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.¶

(814) "Wholesaler" means a marijuana wholesaler licensed by the Commission.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.0125, ORS 475B.0215

AMEND: 845-025-1030

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-1030

Application Process ¶¶

- (1) 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 any requirements of this rule must be submitted in a manner specified by the Commission. The application fee specified in OAR 845-025-1060 must also be paid in a manner specified by the Commission. ¶¶
- (3) The following individuals and legal entities are applicants: ¶¶
 - (a) Any individual or legal entity with a financial interest, as defined in these rules, who holds or controls an interest of ten percent or more in the business proposed to be licensed. ¶¶
 - (b) Any individual or legal entity that has an ownership interest in the business proposed be licensed as described in OAR 845-025-1045. ¶¶
- (4) If a legal entity is an applicant, the following individuals within a legal entity are also applicants: ¶¶
 - (a) All general partners in a limited partnership; ¶¶
 - (b) Limited partners whose investment commitment is ten percent or more of the total investment commitment; ¶¶
 - (c) All members in a limited liability company or partnership whose investment commitment or membership interest is ten percent or more; ¶¶
 - (d) All managers of a manager-managed limited liability company as that term is defined in ORS 63.001; ¶¶
 - (e) All directors who own or control three percent or more of the voting stock; ¶¶
 - (ef) Principal Officers of corporate applicants; and; ¶¶
 - (fg) All natural person stockholders owning or controlling ten percent or more of the voting stock of a corporate entity. ¶¶
- (5) An application must include the names and other required information for all individuals and legal entities who are applicants as described in this rule and the names and other required information for all individuals and legal entities who are not applicants but who have a "financial interest" in the business, as defined in OAR 845-025-1015. ¶¶
- (6) Applicants must submit the following: ¶¶
 - (a) Information or fingerprints for individual applicants and individuals within a legal entity who have been identified as applicants in order to perform a criminal background check in accordance with OAR 845-025-1080; ¶¶
 - (b) Any forms required by the Commission and any information identified in the form that is required to be submitted; ¶¶
 - (c) A map or sketch of the premises proposed for licensure, including the defined boundaries of the premises and the location of any primary residence located on the same tax lot as the licensed premises; ¶¶
 - (d) A scaled 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; ¶¶
 - (e) Proof of right to occupy the premises proposed for licensure; ¶¶
 - (f) 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. ¶
- (g) For producers: ¶
 - (A) The proposed canopy size and tier as described in OAR 845-025-2040 and a designation of the canopy area within the license premises. ¶
 - (B) A report describing the applicant's electricity and water usage, on a form prescribed by the Commission. ¶
 - (i) For initial licensure, the report must describe the estimated electricity and water usage taking into account all portions of the premises and expected requirements of the operation for the next twelve months. ¶
 - (ii) For renewal, the report must describe the actual electricity and water usage for the previous year taking into account all portions of the premises. ¶
 - (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 legal source of water as evidenced by: ¶
 - (i) A copy of a water right permit, certificate, or other water use authorization from the Oregon Water Resources Department; ¶
 - (ii) A statement that water is supplied from a public or private water provider, along with the name and contact information of the water provider; or ¶
 - (iii) Proof from the Oregon Water Resources Department that the water to be used for production is from a source that does not require a water right. ¶
- (h) For processors: ¶
 - (A) On a form prescribed by the Commission, the proposed endorsements as described in OAR 845-025-3210. ¶
 - (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. ¶
- (7) In addition to submitting the application form and the items described in section (5) of this rule, the Commission may require the following to be submitted: ¶
 - (a) For an individual identified as a person with a financial interest, who holds or controls an interest of less than ten percent in the business proposed to be licensed: ¶
 - (A) Information or fingerprints for a criminal background check in accordance with OAR 845-025-1080; and ¶
 - (B) Any forms required by the Commission and any information identified in the form that is required to be submitted. ¶
 - (b) For a legal entity that is identified as having a financial interest of less than ten percent of the business proposed to be licensed: ¶
 - (A) Information or fingerprints for any individual within the legal entity for a criminal background check in accordance with OAR 845-025-1080; and ¶
 - (B) Any forms required by the Commission and any information identified in the form that is required to be submitted. ¶
 - (c) Any additional information if there is a reason to believe that the information is needed to determine the merits of the license application. ¶
- (8) The Commission must review an application to determine if it is complete. An application may be considered incomplete if an application form is not complete, the full application and license fee has not been paid, or some or all of the additional information required under these rules is not submitted. ¶
- (9) 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. ¶
- (10) 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. ¶¶

(11) Failure to comply with subsection (8) of this rule may result in an application being denied.

Statutory/Other Authority: ~~ORS 475B.025 & 2016 OL Ch. 24~~, ORS 475B.040

Statutes/Other Implemented: ORS 475B.040, 475B.045, 475B.060, 475B.070, 475B.090, 475B.100, 475B.1105, 475B.560

AMEND: 845-025-1060

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-1060

Fees ¶¶

(1) At the time of initial license or certificate application an applicant must pay a \$250 non-refundable application fee. ¶¶

(2) If the Commission approves an application and grants an annual license, the following fees must be paid, prorated for an initial license that is issued for six months or less: ¶¶

(a) Producers: ¶¶

(A) Micro Tier I \$1,000. ¶¶

(B) Micro Tier II \$2,000. ¶¶

(C) Tier I \$3,750. ¶¶

(D) Tier II \$5,750. ¶¶

(E) Medical Canopy \$100¶¶

(b) Processors: \$4,750. ¶¶

(c) Wholesalers: \$4,750. ¶¶

(d) Micro Wholesalers: \$1,000. ¶¶

(e) Retailers: \$4,750. ¶¶

(f) Laboratories: \$4,750. ¶¶

(g) Sampling Laboratory: \$2,250.¶¶

(3) If the Commission approves an application and grants a research certificate, the fee is \$4,750 for a three-year term. ¶¶

(4) If the Commission approves an application and grants a hemp certificate, the fee is \$500 for one year.¶¶

(5) At the time of license or certificate application renewal, an applicant must pay a \$250 non-refundable application fee. ¶¶

(6) If the Commission receives a renewal application, the renewal license or certificate fees must be paid in the amounts specified in subsections (2) and (3) of this rule at the time of application. ¶¶

(7) If the Commission approves an initial or renewal application and grants a marijuana worker permit, the individual must pay a \$100 permit fee. ¶¶

(8) The Commission shall charge the following fees: ¶¶

(a) Criminal background checks: \$50 per individual listed on a license application (if the background check is not part of an initial or renewal application).¶¶

(b) Transfer of location of premises review: \$1000 per license. ¶¶

(c) Packaging preapproval: \$100. ¶¶

(d) Labeling preapproval: \$100. ¶¶

(e) Change to previously approved package or label: \$25.¶¶

(f) Transferring packaging or labeling application to another individual or entity: \$25.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.140~~5~~, 475B.218, 475B.560, 475B.610, 475B.620, 475B.266, 2016~~8~~ OLC Ch. 24116 Sec. 14

AMEND: 845-025-1115

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-1115

Denial of Application ¶¶

(1) The Commission must deny an initial or renewal application if: ¶¶

(a) An applicant is under the age of 21. ¶¶

(b) The applicant's land use compatibility statement shows that the proposed land use is prohibited in the applicable zone, if a land use compatibility statement is required. ¶¶

(c) The proposed licensed premises is located: ¶¶

(A) On federal property. ¶¶

(B) On reservation or tribal trust land of a federally recognized Indian tribe unless that tribe has entered into an agreement with the State of Oregon which allows licensing of recreational marijuana businesses. ¶¶

(C) At the same location or address, as a retail, processor or wholesale license, unless the licenses are of different types and all of the licenses at the address or location are held or sought by identical applicants. ¶¶

(d) The location proposed to be licensed is prohibited under OAR 845-025-1230. ¶¶

(e) The proposed licensed premises of a producer is located on the same tax lot, as a site registered with Oregon Department of Agriculture for the production of industrial hemp, unless the applicant submits and the Commission approves a control plan describing how the registered site will be separated from the premises proposed to be licensed and how the applicant will prevent transfer of industrial hemp to the licensed premises. ¶¶

(f) 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. ¶¶

(g) The proposed licensed premises of a retail applicant is located: ¶¶

(A) Except as provided in ~~Oregon Laws 2016, chapter 83, section 296~~ ORS 475B.109, 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 or secondary school, teaching children as described in ORS 339.030. ¶¶

(B) In an area that is zoned exclusively for residential use. ¶¶

(h) The proposed licensed premises of a wholesaler applicant is in an area zoned exclusively for residential use. ¶¶

(i) A city or county has prohibited the license type for which the applicant is applying, in accordance with ORS ~~475B.800-968~~. ¶¶

(2) The Commission may deny an initial or renewal application, unless the applicant shows good cause to overcome the denial criteria, 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 ORS 475B.010 to 475B.395 ~~445~~, or these rules, prior to or after licensure, including but not limited to: ¶¶

(i) The giving away of marijuana items as a prize, premium or consideration for a lottery, contest, game of chance or skill, or competition of any kind, in violation of ORS ~~475B.275333~~; ¶¶

(ii) Providing marijuana items to an individual without checking that the individual is 21 or older; ¶¶

- (iii) Unlicensed transfer of marijuana items for financial consideration; or ¶
- (iv) Violations of local ordinances adopted under ORS 475B.340486, pending or adjudicated by the local government that adopted the ordinance. ¶
- (F) Does not have a good record of compliance with ORS Chapter 471 or any rules adopted thereunder. ¶
- (G) Is not possessed of or has not demonstrated financial responsibility sufficient to adequately meet the requirements of the business proposed to be licensed. ¶
- (H) Is unable to understand the laws of this state related to marijuana or these rules. This may be demonstrated by violations documented by the Oregon Health Authority. ¶
- (I) For license renewal, has not submitted all fees, forms, documents and information required to act on the renewal application within the time period prescribed by the Commission. ¶
- (b) 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 ORS 475B.045(3). Upon the Commission's determination that a basis to deny an application for a conviction under this section, the Commission may consider good cause. The Commission considers the following good cause factors and may consider other factors depending on the facts of the case: ¶
 - (A) Passage of time since the date of the most recent incident that led to a relevant conviction or passage of time since the date of the most recent negative intervening circumstance, whichever date is later. The Commission may consider other factors that affect the passage of time. ¶
 - (B) Other compliance risk factors that show the individual's tendency to continue to disobey laws, rules, and regulations; such as probation and parole violations, non-relevant convictions, and administrative law violations. ¶
 - (C) Successful treatment. ¶
 - (D) The severity of the individual's relevant conviction record as shown by the number of convictions, whether a conviction was a felony or non-felony, and whether a conviction involved violence or the manufacture or delivery of controlled substances. ¶
 - (E) The individual's record of compliance with the Commission. ¶
- (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. ¶
- (d) The business proposed to be licensed is located at the same physical location or address as a premises licensed under ORS Chapter 471 or as a retail liquor agent appointed by the Commission. ¶
- (e) The proposed licensed premises of a producer applicant is on the same tax lot, as another producer licensee under common ownership. ¶
- (f) The applicant proposed to be licensed does not have access to the proposed license premises. ¶
- (g) In a situation where the proposed license premises of a producer applicant is on the same tax lot, as another producer licensee under diverse, the applicant and the licensee do not have common ownership if, and the Commission reasonably believes that the presence of multiple producers on the same tax lot creates a compliance risk or other risk to public health and safety. ¶
- (gh) The applicant proposed to be licensed does not have access is a business entity that is required to the proposed license premises be registered with the Oregon Secretary of State but has failed to do so. ¶
- (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. ¶
- (4)(a) The Commission may deny any initial or renewal application and may revoke any license if medical marijuana items are produced, processed, stored, sold or transported, to or from the same address or location of licensed business or business proposed to be licensed. ¶
- (b) The Commission will not deny an initial application under this subsection if: ¶
 - (A) The applicant surrenders any registration issued by the Authority for the address or location of the business proposed to be licensed; ¶

(B) If applicable, the applicant notifies all other growers registered by the Authority at the location or address proposed to be licensed, in a form and manner prescribed by the Commission, that the grower is no longer permitted to produce medical marijuana at the address or location proposed to be licensed and must surrender his or her registration at that address or location; and ¶

(C) All medical marijuana activity at the location or address proposed to be licensed ceases prior to being issued an OLCC license. ¶

(5) 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 five years. ¶

(6) The Commission may revoke a license for any of the reasons that it may deny a license. ¶

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

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.040, 475B.045, 475B.063, 475B.070, 475B.090, 475B.100, 475B.110~~5~~, 475B.560, 475B.800, ~~2016 OL Ch. 24, Sec. 1 & 2016 OL Ch. 83~~268

AMEND: 845-025-1160

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-1160

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) A disciplinary proceeding or licensing enforcement action by another governmental entity that may affect the licensee's business;¶¶

(c) The temporary closure of the business for longer than 30 days; or¶¶

(d) The permanent closure of the business.¶¶

(2) An applicant or licensee must notify the Commission in a manner prescribed by the Commission within 24 hours of 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. Violation of this section is a Category I violation.¶¶

(3) A licensee must notify the Commission in a manner prescribed by the Commission as soon as reasonably practical and in no case more than 24 hours from the theft of marijuana items or money from the licensed premises.¶¶

(4) Changes in Financial Interest or Business Structure.¶¶

(a) A licensee that proposes to change its corporate structure, ownership structure or change who has a financial interest in the business must submit a:¶¶

(A) A form prescribed by the Commission; and a¶¶

(B) Any information identified in the form to be submitted, to the Commission, prior to making such a change.¶¶

(ab) 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 845-025-1115, or serve as the basis of a license suspension or revocation.¶¶

(bc) 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.¶¶

(ed) The Commission may refuse to accept a form for a change in corporate structure or financial interest if the license is expiring in less than 90 days, 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.¶¶

(e) ~~(e)~~ A new application must be submitted in accordance with OAR 845-025-1030 if a licensee ~~is:~~¶¶

(A) Has a change in ownership that is cumulatively 51% or greater, ~~a new application must be submitted in accordance with OAR 845-025-1030~~; or¶¶

(B) Has more than one change of ownership within a year from the date the license was first issued or renewed that cumulatively results in a change ~~with OAR 845-025-1030~~ of ownership that is 51% or greater.¶¶

(5) Change of Location.¶¶

(a) A licensee who wishes to change the location of the licensed premises must submit a completed application for the new premises including all required forms and documents and the fee specified in OAR 845-025-1060, but does not need to submit information and fingerprints required for a criminal background check if there are no changes to the individuals listed on the initial application.¶¶

(b) The Commission must approve any change of location prior to licensee beginning business operations in the

new location.¶¶

(6) Addition or Change of Trade Name.¶¶

(a) A licensee must notify and receive approval from the Commission on a form prescribed by the Commission prior to any changes or additions to the business trade name.¶¶

(b) The Commission may deny any addition or change to a business trade name.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.055, 475B.045

AMEND: 845-025-1190

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-1190

License Renewal ¶¶

(1) Renewal Applications:-¶¶

(a) Any licensee who ~~files a completed~~submits a 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~~submit a 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~~licensee submits a 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 845-025-1070, 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~~licensee submits a 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 845-025-1070, 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~~n application, including the application fee, license fee, documents and information required by the Commission; and-¶¶

(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 may be subject to administrative and criminal sanctions.-¶¶

(e) A person who engages in any activity that requires a license but is not licensed may be subject to criminal prosecution.-¶¶

(2) For purposes of this rule, a ~~completed~~n application:-¶¶

(a) ~~It is considered filed when~~submitted when:¶¶

(a) The application is received by the Commission; and-¶¶

(b) Is one that is completely filled out, is signed by all applicants and includes the appropriate application and~~The application is signed by an applicant and includes the appropriate application and license fees.~~¶¶

(3) The Commission may require submission of forms, documents and information described in OAR 845-025-1030 in order to complete an investigation of a renewal application. Failure to submit fees, forms, documents or information requested by the Commission under this subsection within a time period prescribed by the Commission may result in denial of the renewal application and revocation of the license fees.

Statutory/Other Authority: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.140⁵, 475B.560

Statutes/Other Implemented: ORS 475B.040

AMEND: 845-025-1230

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-1230

Licensed Premises Restrictions and Requirements ¶

(1) A licensed premises may not be located:¶

(a) On federal property; or¶

(b) At the same physical location or address as a:¶

(A) Medical marijuana grow site registered under ORS 475B.42810;¶

(B) Medical marijuana processing site registered under ORS 475B.435; 840;¶

(C) Medical marijuana dispensary registered under ORS 475B.450858; or¶

(D) Liquor license 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; or¶

(b) The same tax lot as another producer licensee under common ownership.¶

(3) The licensed premises of a retailer may not be located: ¶

(a) ~~W~~Except as provided in ORS 475B.109, 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 or secondary school, teaching children as described in ORS 339.030.¶

(b) In an area that is zoned exclusively for residential use.¶

(4) 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.¶

(5) The licensed premises of a processor, wholesaler, laboratory and retailer must be enclosed on all sides by permanent walls and doors: unless the licensee can show in their security plan how they will maintain security within an unenclosed area, and the Commission determines it does not present a risk to public health and safety.¶

(6) A licensee may not permit:¶

(a) Any minor to work or be on a licensed premises except as described in this rule; or¶

(b) On-site consumption of a marijuana item, alcohol, or other intoxicant by any individual, except that a licensee representative who has a current registry identification card issued under ORS 475B.415797 may consume marijuana during his or her work shift on the licensed premises as necessary for his or her medical condition, if the employee is alone, in a closed room and not visible to others outside the room. A licensee representative who consumes a marijuana item as permitted under this section may not be intoxicated while on duty. For purposes of this section allowable on-site consumption in an enclosed area, as that as defined in OAR 333-015-0030 does not include smoking, combusting, inhaling, vaporizing, or aerosolizing a marijuana item.¶

(7) A licensee may permit a minor to be on the licensed premises, if the minor:¶

(a) Has a legitimate business purpose for being on the licensed premises. For example, a minor plumber may be on the premises in order to make a repair;¶

(b) Passes through the licensed area of an outdoor producer in order to reach an unlicensed area, so long as the minor is not present in areas that contain marijuana items;¶

(c) Resides on the tax lot where a marijuana producer is licensed, so long as the minor is not present in areas of a producer's licensed premises that contain usable marijuana or cut and drying marijuana plants or;¶

(d) Is a current Oregon Medical Marijuana Program cardholder or primary caregiver and is over eighteen years of age.¶

(8) A licensee must clearly identify all limited access areas in accordance with OAR 845-025-1245.¶

(9) Log. A licensee must keep a daily log of all employees, ~~contractors and licensee~~ and permitted visitors representatives who perform work on the licensed premises.¶

(a) A licensee must record the name and permit number of every current employee and licensee representative in CTS.¶

(b) All employees, ~~contractors and licensee representatives~~ and permitted visitors, present on the licensed premises must wear clothing or a badge issued by the licensee that easily identifies the individual as an employee, ~~contractor or licensee representative~~ or permitted visitors. A visitor badge is not required for government officials.¶

(c) All permitted visitors must be accompanied by a licensee representative at all times.¶

(d) If a current employee or licensee representative is not required to have a marijuana worker permit, the licensee must record the name and date of birth for that individual in CTS.¶

(e) A licensee must record the name and date of birth for every contractor who performs work on the licensed premises. If the contractor is licensed by the State of Oregon, the licensee must also record the contractor's license number.¶

(10) Permitted Visitors. The general public is not permitted in limited access areas on a licensed premises, except for the consumer sales area of a retailer. In addition to licensee representatives, the following visitors are permitted to be present in limited access areas on a licensed premises, subject to the requirements of this rule and other pertinent rules:¶

(a) Laboratory personnel, if the laboratory is licensed by the Commission;¶

(b) A contractor, vendor or service provider authorized by a licensee representative to be on the licensed premises;¶

(c) Another licensee or that licensee's representative;¶

(d) Invited guests as defined in OAR 845-025-1015 subject to requirements of this rule; or¶

(e) Tour groups as permitted by this rule.¶

(11) Producer Tours. A marijuana producer or research certificate holder may offer tours of the licensed premises, including limited access areas, to the general public if the licensee submits a control plan in writing and the plan is approved by the Commission.¶

(a) The plan must describe how conduct of the individuals on the tour will be monitored, how access to usable marijuana will be limited, and what steps the licensee will take to ensure that no minors are permitted on the licensed premises.¶

(b) The Commission may withdraw approval of the control plan if the Commission finds there is poor compliance with the plan. Poor compliance may be indicated by, for example, individuals on the tour not being adequately supervised, an individual on the tour obtaining a marijuana item while on the tour, a minor being part of a tour, or the tours creating a public nuisance.¶

(12) 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 from being on the licensed premises.¶

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

(14) 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 or as otherwise provided by these rules.¶

(15) A licensed wholesaler or retailer who sells or handles food, as that term is defined in ORS 616.695, or cannabinoid edibles must also be licensed by the Oregon Department of Agriculture under ORS 616.706.

Statutory/Other Authority: ORS 475B.070, 475B.090, 475B.100, 475B.1405, ORS 475B.025

Statutes/Other Implemented: ORS 475B.090, 475B.100, 475B.1405, 475B.260, 475B.005, 475B.180224, 475B.280381

AMEND: 845-025-1330

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-1330

Trade Samples ¶¶

(1) The following licensees may provide samples of marijuana items to other licensees for the purpose of determining whether to purchase the product: ¶¶

(a) A producer may provide a sample of usable marijuana to a marijuana producer, wholesaler, retailer or processor licensee. ¶¶

(b) A processor may provide a sample of a cannabinoid product, concentrate or extract to a marijuana producer, processor, wholesaler or retailer. ¶¶

(c) A wholesaler may provide a sample of usable marijuana or a cannabinoid product, concentrate or extract to a marijuana wholesaler, retailer or processor licensee. ¶¶

(2) The sample marijuana items may not be consumed or used on a licensed premises. ¶¶

(3) The sample may not be resold to another licensee or consumer. ¶¶

(4) Any sample provided to another licensee or received by a licensee must be recorded in CTS. ¶¶

(5) Any samples provided under this rule must be tested in accordance with OAR 333-007-0300 to 333-007-049500. ¶¶

(6) A licensee is limited to providing the following aggregate amounts of sample marijuana items to an individual recipient licensee in a ~~30-day~~ calendar month period: ¶¶

(a) 30 grams of usable marijuana; ¶¶

(b) 5 grams of cannabinoid concentrates or extracts; and ¶¶

(c) 3 units of sale of ~~any individual~~ cannabinoid products. ¶¶

(7) Any sample given to a licensee shall have a label containing the following in any legible font that is at least 1/16th of an inch in height based on the lower case "o": ¶¶

(a) A statement that reads: "TRADE SAMPLE NOT FOR RESALE" in bold, capital letters attached to the marijuana item; ¶¶

(b) The product identity; ¶¶

(c) The UID; and ¶¶

(d) The net weight or contents of the marijuana or marijuana item. ¶¶

(8) Licensees accepting trade samples may provide their employees with samples of hemp or marijuana items. All transactions must be recorded in CTS.

Statutory/Other Authority: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.1405

Statutes/Other Implemented: 475B.105, ORS 475B.025, 475B.070, 475B.090, 475B.100, ~~475B.110~~

AMEND: 845-025-1360

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-1360

Quality Control Samples ¶¶

- (1) Producer and processor licensees may provide sample marijuana items directly to their own license representatives for the purpose of quality control and product development.¶¶
- (2) The sample marijuana items may not be consumed or used on a licensed premises.¶¶
- (3) The sample marijuana items may not be provided to or resold to another licensee or consumer.¶¶
- (4) Any sample provided under this rule must be recorded in CTS.¶¶
- (5) A producer licensee is limited to providing a total of 28 grams of usable marijuana per ~~harvest lot~~strain harvested in a 72 hour period.¶¶
- (6) A processor licensee is limited to providing a total of the following amounts of sample marijuana items:¶¶
 - (a) 5 grams of cannabinoid concentrates or extracts per process lot; and¶¶
 - (b) 12 individual units of sale per process lot for other cannabinoid products.

Statutory/Other Authority: ORS 475B.025, 475B.070, 475B.090

Statutes/Other Implemented: ORS 475B.025, 475B.070, 475B.090

AMEND: 845-025-1410

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-1410

Security Requirements ¶¶

(1) A licensee is responsible for the security of all marijuana items on the licensed premises or in transit, 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, and gate if applicable, 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 points of ingress and egress 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;¶¶

~~(b) All marijuana items on a licensed retailer's premises are kept in a safe or vault as those terms are defined in OAR 845-025-1015; and¶¶~~

~~(c) All usable marijuana, cut and drying mature marijuana plants, cannabinoid concentrates, extracts or products on the licensed premises of a licensee other than a retailer are kept in a locked, enclosed area within the licensed premises that is secured with at a minimum, a properly installed steel door with a steel frame, and a commercial grade, non-residential door lock; and¶¶~~

(c) All marijuana items on a licensed retailer's premises are kept in a safe or vault as those terms are defined in OAR 845-025-1015. This requirement does not apply to immature marijuana plants.¶¶

(4) A licensee must:¶¶

(a) Have an electronic back-up system for all electronic records; and¶¶

(b) 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.

Statutory/Other Authority: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.1405

Statutes/Other Implemented: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.1405

AMEND: 845-025-1430

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-1430

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 845-025-1450 and this rule;¶¶
 - (C) Video monitors;¶¶
 - (D) Digital archiving devices; and¶¶
 - (E) A minimum of one monitor on premises capable of viewing video.¶¶
 - (b) Have the capability of producing and printing a still photograph from any camera image;¶¶
 - (c) Be equipped with a failure notification system that provides, within one hour, notification to the licensee or an authorized representative of any prolonged surveillance interruption or failure; and¶¶
 - (d) Have sufficient battery backup to support a minimum of one hour of recording time in the event of a power outage.¶¶
- (3) Except for mounted cameras, all video surveillance equipment and recordings must be stored in a locked secure area that is accessible only to the licensee, licensee representatives and authorized personnel, Commission employees and contractors, and other state or local government officials that have jurisdiction over some aspect of the licensed premises or licensee.

Statutory/Other Authority: ~~ORS 475B.02570~~, 475B.0790, ~~ORS 475B.09025~~, 475B.100, 475B.1405

Statutes/Other Implemented: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.1405

AMEND: 845-025-1440

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-1440

Required Camera Coverage and Camera Placement ¶¶

- (1) A licensed premises must have camera coverage, as applicable, for:¶¶
- (a) All points of ingress and egress to and from the licensed premises;¶¶
 - (b) All limited access areas as that term is defined in OAR 845-025-1015;¶¶
 - (c) All consumer sales areas;¶¶
 - (d) All points of entry to or exit from limited access areas;¶¶
 - (e) The surveillance room or surveillance area as defined in OAR 845-025-1460(1)(a) and (b); ~~and~~¶¶
 - (f) Any other area that the Commission believes presents a public safety risk based on the overall operation and characteristics of the licensed premises; ~~and~~¶¶
 - (g) All areas where marijuana waste is required to be stored, destroyed or rendered unusable as required by OAR 845-025-7750.¶¶
- (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 ingress and egress to and from the licensed premises; and¶¶
 - (b) In all locations within limited access, and consumer sales areas on the licensed premises.¶¶
- (3) Failure to comply with subsection (1)(a) through (e) of this rule is a Category I violation and may result in license revocation.¶¶
- (4) Failure to comply with subsection (1)(f), (1)(g), (2)(a) or (2)(b) of this rule is a Category II violation.

Statutory/Other Authority: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.1405

Statutes/Other Implemented: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.1405

AMEND: 845-025-1450

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-1450

Video Recording Requirements for Licensed Facilities ¶¶

(1) A licensee must have cameras that continuously record, 24 hours a day;¶¶

(a) In all areas where mature marijuana plants, immature marijuana plants, usable marijuana, cannabinoid concentrates, extracts ~~or~~, products or waste may be present on the licensed premises; and¶¶

(b) All points of ingress and egress to and from areas where mature marijuana plants, immature marijuana plants, usable marijuana, cannabinoid concentrates, extracts ~~or~~, products or waste are present.¶¶

(2) A licensee must:¶¶

(a) In limited access and consumer sales areas, use cameras that record at a minimum resolution of 1280 x 720 px and record at 10 fps (frames per second);¶¶

(b) In exterior perimeter and areas on the licensed premises that are not limited access areas, use cameras that record at 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;¶¶

(c) Use cameras that are capable of recording in all lighting conditions;¶¶

(d) Keep surveillance recordings, ~~except for off-site backup recordings described in (2)(l) of this rule, for a minimum of:~~¶¶

~~(A) 90 calendar days for licenses issued or renewed after August 31, 2016; and¶¶~~

~~(B) 30 calendar days for licenses issued prior to August 31, 2016 for a minimum of 90 calendar days. Failure to comply with this subsection is:¶¶~~

(A) A Category I violation if the licensee maintained surveillance recordings for less than 30 days;¶¶

(B) A Category II violation if the licensee maintained surveillance recordings for more than 30 days but less than 60 days; or¶¶

(C) A Category III violation if the licensee maintained surveillance recordings for more than 60 days but less than 90 days and that is the only violation that occurred during the time in which required backup recordings were not retained.¶¶

(e) Keep off-site backup recordings described in (2)(l) of this rule for a minimum of 30 days;¶¶

(f) Maintain surveillance recordings in a format approved by the Commission that can be easily accessed for viewing and easily reproduced;¶¶

(g) Upon request of the Commission, keep surveillance recordings for periods exceeding the retention period specified in section (2)(d) of this rule;¶¶

(h) Have the date and time embedded on all surveillance recordings without significantly obscuring the picture;¶¶

(i) 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;¶¶

(j) Make video surveillance records and recordings available immediately upon request to the Commission in a format specified by the Commission for the purpose of ensuring compliance with ORS Chapter 475B and these rules;¶¶

(k) Immediately notify the Commission of any equipment failure or system outage lasting 30 minutes or more; and¶¶

(l) Back up the video surveillance recordings off-site and in real time for the surveillance room or surveillance area.¶¶

(3) Notwithstanding the requirements in section (1) of this rule a licensee may stop recording in areas where

marijuana items are not present due to seasonal closures or prolonged periods of inactivity. The licensee must provide notice to OLCC when recording is stopped and must keep a log of all times that recording is stopped due to marijuana items not being present. The log and notice must identify which cameras were not recording, the date and time recording stops, the date and time recording resumes or is scheduled to resume, and a description of the reason why the recording stopped and started.¶

(4) Failure to comply with subsections ~~(2)(e), (e), (a), (b)~~ or, (2)(f), (h) or (i) of this rule is a Category I violation and may result in license revocation.¶

(5) Failure to comply with subsections (2) (a), (b), (c), (d), (e), (g), (j), (k), or (l) of this rule is a Category II violation.¶

(6) If the Commission finds one or more mitigating or aggravating circumstances, it may assess a lesser or greater sanction, up to and including cancellation. The Commission may decrease or increase a sanction to prevent inequity or to take account of particular circumstances in the case.

Statutory/Other Authority: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.1405

Statutes/Other Implemented: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.1405

AMEND: 845-025-2000

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-2000

Canopy Definitions ¶

As used in OAR 845-025-2000 to 845-025-2080: ¶

(1) "Mature Canopy" means the surface area which may be 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. Both immature and mature marijuana plants may be cultivated in this space. ¶

(2) "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. ¶

(3) "Outdoor production" means producing ~~marijuana~~ mature marijuana plants: ¶

(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. ¶

(4) "Immature Canopy" means the area used exclusively to propagate immature marijuana plants calculated in square feet and measured using the outside boundaries of the footprint that includes immature marijuana plants including all of the space within the boundaries.

Statutory/Other Authority: ORS 475B.025, 475B.070, 475B.075

Statutes/Other Implemented: ORS 475B.025, 475B.070, 475B.075

AMEND: 845-025-2020

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-2020

Producer Privileges; Prohibitions ¶

(1) A producer may: ¶

(a) ~~Possess, plant, cultivate, grow, harvest and dry marijuana in the manner approved by the Commission and consistent with ORS 475B and these rules;~~ ¶

(b) Engage in indoor or outdoor production of marijuana, or a combination of the two; ¶

(c) ~~Sell or transport, transfer, transport, and deliver:~~ ¶

(A) Usable marijuana to the licensed premises of a marijuana processor, wholesaler, retailer, laboratory, non-profit dispensary, or research certificate holder; ¶

(B) Whole, non-living marijuana plants that have been entirely removed from any growing medium to the licensed premises of a marijuana processor, wholesaler, non-profit dispensary or research certificate holder; ¶

(C) Immature marijuana plants and seeds to the licensed premises of a marijuana producer, wholesaler, retailer or research certificate holder; ~~and~~ ¶

(D) Marijuana waste to a producer, processor, wholesaler, or research certificate holder; ~~and~~ ¶

(E) Trade samples to another producer licensee, as allowed under these rules. ¶

(d) Purchase and receive: ¶

(A) Immature marijuana plants and seeds from a producer, wholesaler, or research certificate holder; ¶

(B) Marijuana waste from a producer, processor, wholesaler, retailer, laboratory, or research certificate holder; ¶

(C) Usable marijuana produced by the licensee that has been stored by a wholesaler on the producer's behalf; and ¶

(D) Trade samples from another producer or processor licensee, as allowed under these rules. ¶

(e) Allow a laboratory licensee to obtain samples for purposes of performing testing as provided in these rules and OAR 333-007-0300 to 333-007-049500. ¶

(f) Accept or make returns, as long as the producer: ¶

(A) Only accepts or returns usable marijuana, immature marijuana plants, seeds and whole non-living marijuana plants; ¶

(B) Only accepts or returns eligible items listed in paragraph (A) of this section from the original licensee whom received or purchased the item; and ¶

(C) Accurately records the transaction in the CTS. ¶

(2) A producer may not ~~sell, deliver, possess, plant, cultivate, grow, harvest, dry, sell, deliver, transfer, transport,~~ purchase, or receive any marijuana item other than as provided in ~~s~~: ¶

(a) Section (1) of this rule; ¶

(b) OAR 845-025-2025, if the producer has an approved concentrate endorsement; or ¶

(c) OAR 845-025-2550, if the producer has been properly registered by the Commission.

Statutory/Other Authority: ORS 475B.025, 475B.070, 475B.075

Statutes/Other Implemented: ORS 475B.025, 475B.070, 475B.075, ~~2016 OL Ch. 23, 2016 OL Ch. 24~~

AMEND: 845-025-2025

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-2025

Micro Tier Processing. Privileges; Prohibitions ¶¶

(1) In addition to the privileges in OAR 845-025-2020, Micro Tier I & Micro Tier II producer licensee may process marijuana concentrates, as long as:¶¶

(a) The process involves separating cannabinoids from marijuana by:¶¶

(A) A mechanical process; or¶¶

(B) An extraction process using water as the solvent.¶¶

(b) The producer applies for a concentrate endorsement.¶¶

(c) The producer only sells or transports marijuana concentrates to the licensed premises of a processor, wholesaler, retailer or research certificate holder.¶¶

(d) Follows all the provisions set forth within OAR 845-025-3210, 845-025-3220, 845-025-3230, and 845-025-3240.¶¶

(e) If using water or ice in processing, the producer uses only potable water and ice made from potable water.¶¶

(f) If using dry ice, the producer uses or stores the dry ice in a well-ventilated room to prevent against the accumulation of dangerous levels of carbon dioxide.¶¶

(2) In addition to the prohibitions in OAR 845-025-2020 a micro producer may not:¶¶

(a) Make cannabinoid extracts; ~~or~~¶¶

(b) Make a concentrate using steam; ~~or~~¶¶

(c) Sell or transfer a cannabinoid concentrate for use by a processor to make a cannabinoid edible.¶¶

(3) Concentrate Endorsement.¶¶

(a) In order to apply for an endorsement an applicant or micro producer licensee must submit a form prescribed by the Commission that includes:¶¶

(A) A description of the process the micro producer intends to implement to process usable marijuana into a concentrate; and¶¶

(B) A description of equipment to be used.¶¶

(b) The Commission may deny a producer's request for an endorsement under this rule if the producer does not meet the applicable requirements for the concentrate endorsement. If the Commission denies approval the producer has a right to a hearing under the procedures of ORS Chapter 183.

Statutory/Other Authority: ~~2017 OL Ch. 476 Sec. 8~~ ORS 457B.070

Statutes/Other Implemented: ~~2017 OL Ch. 476 Sec. 8, ORS 475B.025, 2016 OL Ch. 24, Sec. 1~~ ORS 457B.070, ORS 475B.025, 475B.096

AMEND: 845-025-2040

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-2040

Production Size Limitations ¶¶

(1) Maximum Canopy Size Limits for mature canopy area.¶¶

(a) Indoor Production.¶¶

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

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

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

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

(b) Outdoor production.¶¶

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

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

(C) Tier 1: 5,001 to 20,000 square feet.¶¶

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

(c) Mixed production. If a producer intends to have a mixture of indoor and outdoor mature canopy production the Commission will determine the producer's tiers and mature canopy area by applying the following standards:¶¶

(A) A producer may produce marijuana indoors and outdoors 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. A producer who utilizes mixed production may only change designated canopy areas from one production type to another at the time the producer submits a renewal application.¶¶

(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 (1) of this rule. For example, if a Tier II producer in the first year of licensure has 5,000 square feet of indoor canopy space, then the producer may have up to 20,000 square feet of outdoor canopy space at the same time.¶¶

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

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

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

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

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

(3) Canopy Measurements. Square footage of canopy space is measured horizontally starting from the outermost point of the furthest plant in a designated growing space and continuing around the outside of all plants located within the designated growing space. If immature plants are grown on racks or shelving within the immature canopy, only the footprint of the area containing the immature plants will be used to calculate the immature canopy.¶¶

(a) For ~~licenses~~ licenses issued or renewed after April 1, 2018, a producer may ~~at~~¶¶

(A) Designate no more than 20 quadrilateral canopy areas including both immature and mature canopy areas at a licensed premises and those areas must be separated by a physical boundary such as an interior wall or by at least eight feet of open space; or¶¶

(B) Designate no more than 20 canopy areas including both immature and mature canopy areas at a licensed

premises and provide the Commission with a survey of the canopy space conducted by a Professional Land Surveyor licensed by Oregon State Board of Examiners for Engineering and Land Surveying that shows the canopy is within the licensed canopy limits.

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

(4) Canopy Size Limit - Designation and Increases.

(a) A producer must clearly identify designated mature and immature canopy areas and proposed canopy size in the initial license application and upon renewal. A producer may change a designated canopy area within a production type during the term of the license with prior written approval from the Commission, but a producer may only change canopy tiers at the time of renewal in accordance with this rule.

(b) A producer may submit a request to change canopy tiers at the time the producer submits an application for renewal of the license. The Commission will grant approval of the request to increase the canopy tier 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 ORS 475B.010 to 475B.545 or these rules.

(c) The Commission shall give a producer an opportunity to be heard if a request is rejected under this section.

(5) Mature marijuana plants may only be located within the designated canopy area.

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

Statutory/Other Authority: ORS 475B.025, 475B.070, 475B.0785

Statutes/Other Implemented: ~~ORS 475B.0785~~

AMEND: 845-025-2045

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-2045

Propagation Endorsement

(1) A producer licensee may apply for a propagation endorsement in order to grow additional immature marijuana plant canopy as defined by these rules.¶¶

(2) Application. A producer applying for an endorsement under this rule, must submit a propagation plan that demonstrates that additional immature marijuana plant canopy is required for the production of immature plants ~~or seeds~~ for sale to other licensees.¶¶

(3) Land-use Compatibility Statement.¶¶

(a) Licensed producers who have previously submitted a land use compatibility statement are not required to submit an additional land use compatibility statement when registering for a propagation endorsement, so long as there is no change in the aggregate size of the mature and immature canopy areas.¶¶

(b) Licensed producers who were exempt from submitting a land use compatibility statement under these rules at the time of licensure must submit a land use compatibility statement when applying for a propagation endorsement if the producer's total canopy of mature medical and recreational plants exceeds 5,000 square feet for outdoor producers and 1,250 square feet for indoor producers. ¶¶

(4) Denial and Revocation. The Commission may deny a producer's request for an endorsement or revoke the endorsement. If the Commission denies or revokes the endorsement, the producer has a right to a hearing under the procedures of ORS chapter 183.

Statutory/Other Authority: 475B.025

Statutes/Other Implemented: 2017 OL Ch. 183

AMEND: 845-025-2060

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-2060

Recreational Marijuana Producers - Start-up Inventory ¶¶

(1) Marijuana producers may not receive immature marijuana plants or seeds from any source other than from another licensee, except: ¶¶

(a) ~~Between January 1, 2016 and July 1, 2018 a marijuana producer~~ A marijuana producer that has filed a complete application by July 1, 2018 may receive immature marijuana plants and seeds from any source within Oregon for up to 90 days following initial licensure by the Commission; ¶¶

(b) Pursuant to the transfer of medical marijuana inventory under OAR 845-025-2100. ¶¶

(2) The marijuana producer shall, through CTS, report receipt of the number of immature marijuana plants or seeds received under this section within 24 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 during the 90 day start-up period. ¶¶

(3) The requirements in section (2) of this rule do not apply during the first ten calendar days of licensure so long as the licensee has ordered UID tags and the UID tags are in transit to the licensee. ¶¶

(4) Failure to comply with this rule is a Category I violation and could result in license revocation.

Statutory/Other Authority: ORS 475B.025, 475B.070

Statutes/Other Implemented: ~~ORS 475B.023, 475B.070 & 2016 OL Ch. 245~~

AMEND: 845-025-2090

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-2090

~~The new rule requires outdoor producers to notify the commission of any harvest of marijuana.~~ Harvest Notification

(1) Notice Requirement. A producer licensee must file a harvest notice before harvesting usable marijuana from any mature plant located in an

outdoor canopy area.

(2) Notices required under this rule must:

(a) Be filed no later than 9:00 a.m. on the day of the harvest activity;

(b) Identify the dates of the proposed harvest; and

(c) Be filed in a form and manner prescribed by the Commission.

(3) Alteration of Dates. If the harvest does not take place as described in the notice, a harvest notice may be rescinded or amended within 24 hours of the harvest date(s) identified in the harvest notice.

(4) Tracking. Filing a harvest notice does not relieve the producer from recording harvest data and other information in CTS as required by these rules.

(5) Violations.

(a) Failure to file a harvest notice is a Category III violation for each day the violation occurs.

(b) Failure to properly amend a notice is a Category IV violation for each day the violation occurs.

Statutory/Other Authority: ORS 475B.154, ORS 475B.635

Statutes/Other Implemented: ORS 475B.154, ORS 475B.635

AMEND: 845-025-2100

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-2100

Transfer of Medical Marijuana Grower Inventory ¶¶

(1) An individual applicant listed on an application for a producer license under ORS 475B.070 that is also a PRMG may submit a transfer request to the Commission, on a form prescribed by the Commission, to transition a medical marijuana grow site from being registered with the Authority to being licensed by the Commission. The request must include, at a minimum, the following information:¶¶

(a) The names, contact information, and Authority issued registry identification number for each PRMG currently registered at the grow site address that is the proposed premises to be licensed;¶¶

(b) Copies of all personal agreements entered into under ORS 475B.425822 that specify whether a patient has authorized the transfer of marijuana plants or usable marijuana to the Commission license and if so, how much may be transferred; and¶¶

(c) An authorization that permits the Authority to disclose to the Commission the PRMG's registration information.¶¶

(2) Upon receipt of a request under section (1) of this rule the Commission must verify with the Authority:¶¶

(a) The registration status of each PRMG identified in the transfer request;¶¶

(b) The number of PRMGs registered at the grow site address that is the proposed premises to be licensed; and¶¶

(c) The number of patients each PRMG is producing marijuana for at that grow site address.¶¶

(3) The Commission will deny a transfer request if an applicant has not complied with this rule or if a license is denied under OAR 845-025-1115.¶¶

(4) If the information in the transfer request is verified by the Authority and the Commission approves a license application under ORS 475B.070, the Commission must notify the applicant of the number of seeds, marijuana plants and usable marijuana permitted to be transferred in accordance with ORS 475B.831. Information regarding the seeds, marijuana plants and usable marijuana transferred must be recorded in CTS within ten calendar days of licensure.¶¶

(a) The number of mature marijuana plants, immature marijuana plants and amount of usable marijuana that is permitted to be transferred will be based on the number of patients whose registration status has been verified by the Authority in accordance with section (2) of this rule and who have authorized the transfer of marijuana items to the Commission license.¶¶

(b) There is no limit on seeds that may be transferred to the Commission license, subject to subsection (a) of this section.¶¶

(c) No more than six mature plants and 12 immature plants per patient may be transferred to the Commission license, subject to subsection (a) of this section.¶¶

(d) For a medical marijuana grow site located outdoors no more than 12 pounds of usable marijuana per mature plant may be transferred to the Commission license, subject to subsection (a) of this section.¶¶

(e) For a medical marijuana grow site located indoors no more than 6 pounds of usable marijuana per mature plant may be transferred to the Commission license, subject to subsection (a) of this section.¶¶

(f) Any seeds, marijuana plants or usable marijuana that exceed the amount permitted by the Commission to be transferred must be removed from the premises by the applicant prior to the initial date of licensure and lawfully transferred or disposed of.¶¶

(5) The licensee must notify the Commission once the marijuana plants and usable marijuana are entered into CTS and the Commission may inspect the premises to verify the information the licensee entered into CTS.¶¶

(6) Once the transfer of inventory under this section is complete the Commission must notify the Authority that the grow site address is now a licensed premises and that the licensed premises may not be registered as a grow site address under ORS 475B.42810.¶

(7) The Commission may deny a transfer request if it cannot verify the information in the request or if the applicant submits incomplete information to the Commission.¶

(8) Any usable marijuana transferred from a medical marijuana grow site to the licensed premises under this rule must be tested, labeled and packaged, in accordance with OAR 845-025-7000 to 845-025-7060 and 845-025-5700 as applicable, before transferring the usable marijuana to another licensee.¶

(9) All transfers must follow the limits as set forth in ORS 475B.831 and 475B.834.

Statutory/Other Authority: ORS 475B.025, 475B.070

Statutes/Other Implemented: ~~2016 OL Ch. 24, Sec. 25~~ ORS 475B.813

AMEND: 845-025-2130

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-2130

Grow site Transfers to Processor or Wholesaler Licensees

(1) Medical Marijuana Program Grow Site Transfers to Licensees of the Commission.

(a) Registration and Eligibility. A grow site that is authorized to produce more than twelve mature marijuana plants may apply to the Commission for approval to transfer limited quantities of usable marijuana to a processor or wholesaler licensees of the Commission licensed under ORS 475B.090 or 475B.100 if a PRMG at that grow site has the grow site's Grow Site Administrator:

(A) Registered in a form and manner specified by the Commission;

(B) Provided proof to the Commission of a legal source of water as evidenced by:

(i) A copy of a water right permit, certificate, or other water use authorization from the Oregon Water Resources Department;

(ii) A statement that water is supplied from a public or private water provider, along with the name and contact information of the water provider; or

(iii) Proof from the Oregon Water Resources Department that the water to be used for production is from a source that does not require a water right.

~~(C) Activated th; and~~

(C) Has and active assigned CTS account; and

~~(D) Received approval from the Commission~~ The Commission will approve or deny the application for registration in accordance with this rule.

~~(b2) Testing Requirements. A PRMG~~ If a grow site has been approved by the Commission to transferring usable marijuana to a processor or wholesaler licensee of the Commission must comply the following conditions apply:

(a) The usable marijuana must, prior to transfer, be tested in accordance with the Authority's testing rules in OAR 333-007-0300 to 333-007-049500 and OAR 333, division 64 prior to the sale or transfer of a marijuana item, as specified in those rules.

~~(c) Manifest.~~

(b) A PRMG transferring usable marijuana to a processor or wholesaler licensee of the Commission must generate a manifest in CTS that contains the following information:

(A) The name, contact information of the PRMG representative, grow site address and grow site registration number of the PRMG transporting the usable marijuana;

(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) of the usable marijuana contained in each transport, along with the UIDs for every item;

(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 PRMG medical grower's representative accompanying the transport.

(23) Transfer limits. ~~All PRMG's located at the same grow site address are limited to transferring an aggregate of twenty pounds of usable marijuana per grow site address to processor and wholesaler licensees in any twelve month period~~ the total amount of usable marijuana transferred from a grow site may not exceed twenty pounds in any twelve month period.

(4) Denial. The Commission may deny an application to register under this rule if the applicant does not meet the

requirements of this or any other pertinent rules, or the Commission has determined that no transfers will be permitted under section (4) of this rule. If the Commission denies the application the applicant has a right to a hearing under ORS Chapter 183.

(5) If the Commission determines that the supply of marijuana items offered for sale by licensed retailers is exceeding consumer demand for the marijuana items, and if the Commission determines that the market for marijuana items in this state will not self-correct for the excess, the Commission may:

(a) Deny an application submitted under this rule;

(b) Suspend or revoke a registration approved under this rule; or

(c) Limit the amount of usable marijuana that may be transferred under this rule.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: 2017 OL Ch. 613, ORS 475B.825

AMEND: 845-025-2550

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-2550

Requirements for Producing and Providing Marijuana for Patients ¶

A licensed producer who has been registered by the Commission to produce marijuana for patients:¶

(1) Must:¶

(a) Comply with all seed-to-sale tracking requirements required in these rules.¶

(b) Comply with testing rules in OAR 333-007-0300 to 333-007-0500 applicable to licensee testing of usable marijuana prior to transferring usable marijuana to a patient or the patient's designated primary caregiver and upon request by a patient, provide a patient with a copy of all testing results.¶

(c) Comply with all applicable testing, labeling and packaging rules when transferring or selling usable marijuana to any licensee of the Commission.¶

(d) In addition to subsection (a) of this section, use CTS to document the amount of usable marijuana transferred to each patient or designated primary caregiver, the date of the transfer, and the patient or caregiver's OMMP number.¶

(e) Provide at least 75 percent of the annual yield of usable marijuana to patients or their designated primary caregivers.¶

(f) Generate a manifest in CTS and carry a physical copy of the manifest when delivering usable marijuana to a patient or designated primary caregiver. If a patient or designated primary caregiver is picking up the usable marijuana, the producer must generate a manifest in CTS but a physical copy is not required.¶

(2) May:¶

(a) Transfer immature marijuana plants, seeds and tissue cultures from the producer's recreational plant stock to the area used for the production of marijuana for patients.¶

(b) Provide a patient or ~~the patient's~~ designated primary caregiver ~~up to~~¶

(A) Up to 24 ounces of usable marijuana in any one transfer and;¶

(B) An aggregate amount of three pounds in a calendar year;¶

~~or;~~¶

(C) Immature plants.¶

(c) Provide a PRMG with immature marijuana plants.¶

(d) Terminate their registration with prior notice to the commission.¶

~~(de)~~ Upon termination, the producer must:¶

(A) Cease production in the medically designated canopy area; and¶

(B) Transfer any remaining usable marijuana yielded from the medically designated canopy to either an OMMP card holder or primary care giver, as allowed by these rules.¶

(3) May not:¶

(a) Be compensated for producing or providing marijuana to a patient or the patient's designated primary caregiver; or¶

(b) Transfer more than 25% of the total annual yield of usable marijuana from the producer's medically designated canopy to licensees of the Commission.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ~~2016 OL Ch. 83 Sec. 2~~OR475B.136

AMEND: 845-025-2800

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-2800

Retailer Privileges; Prohibitions ¶

- (1) A retailer is the only licensee that is authorized to sell, transfer or deliver a marijuana item to a consumer. ¶
- (2) A retailer may: ¶
- (a) Between the hours of 7:00 AM and 10:00 PM local time, sell marijuana items from the licensed premises to a consumer 21 years of age or older; ¶
- (b) Sell ~~and~~, transfer or deliver: ¶
- (A) Marijuana items, industrial hemp concentrates, industrial hemp extracts or industrial hemp commodities or products to a consumer 21 years of age or older pursuant to a bona fide order as described in OAR 845-025-2880. ¶
- (B) Marijuana items to a patient or designated primary caregiver clients between ages 18-21, so long as: ¶
- (i) The ~~client~~ registry identification cardholder has a valid OMMP card; and ¶
- (ii) The retailer has a valid medical endorsement. ¶
- (C) Marijuana waste to a producer, processor, wholesaler, or research certificate holder. ¶
- (D) Industrial hemp concentrates, industrial hemp extracts or industrial hemp commodities or products as long as those items were received from an OLCC processor with an approved industrial hemp processor endorsement as required by 845-025-3285. Hemp items that were received from other sources prior to December 28, 2017 may be retained and sold at retail until April 1, 2018. ¶
- (c) Accept or make returns, as long as the retailer: ¶
- (A) Only accepts or returns usable marijuana, marijuana items, hemp commodities and products, immature marijuana plants and seeds; ¶
- (B) Only accepts or returns eligible items listed in (A) of this section from either the original licensee ~~whom that~~ supplied or the item or the customer whom that purchased or was given the item; ¶
- (C) Accurately records the transaction in the CTS; and ¶
- (D) Does not resell any items returned by customers. ¶
- (d) Purchase ~~and~~, possess or receive: ¶
- (A) Usable marijuana, immature marijuana plants, and seeds from a producer or from a research certificate holder; ¶
- (B) Cannabinoid concentrates, extracts, and products from a processor with an endorsement to manufacture the type of product received or from a research certificate holder; ¶
- (C) Any marijuana item, except for whole, non-living marijuana plants, from a wholesaler; ¶
- (D) Any marijuana item from a laboratory; and ¶
- (E) Marijuana items from a retailer that is owned by the same or substantially the same persons. For purposes of this rule, substantially the same means that individuals named on the approved license or persons with a financial interest in the licensed businesses are identical. ¶
- (e) Refuse to sell marijuana items to a consumer; ¶
- (f) Allow a laboratory licensee to obtain samples for purposes of performing testing as provided in these rules and OAR 333-007-0300 to 333-007-049500; and ¶
- (g) Accept returned marijuana items that the retailer sold to a consumer and provide a refund or exchange with a product of equal or lesser value as long as the product is not resold. ¶
- (h) Sell marijuana items for medical purposes, as long as the retailer follows the provisions set forth in 845-025-

2900. ¶

(3) A retailer may not: ¶

(a) Knowingly sell more than the following amounts to an individual at any one time or within one day: ¶

(A) One ounce of usable marijuana to recreational consumers; ¶

~~(B) 24 ounces of usable marijuana to registry identification cardholders and designated primary caregivers pursuant to the requirements of OAR 845-025-2900; ¶~~

~~(C) ¶~~

(B) 16 ounces of a cannabinoid product in solid form; ¶

~~(D) 72 fluid ounces of a cannabinoid product in liquid form; ¶~~

~~(E) Five grams of cannabinoid extracts or concentrates, whether sold alone or contained in an inhalant delivery system or combined with usable marijuana; ¶~~

(E) Five grams of cannabinoid products intended for inhalation; ¶

(F) Four immature marijuana plants; and ¶

(G) Ten marijuana seeds. ¶

(b) Knowingly provide more than the following amounts to registry identification cardholders or designated primary caregivers: ¶

(A) 4 ounces of usable marijuana in one day; and ¶

(B) No more than 24 ounces in one calendar month. ¶

(c) Provide free marijuana items to a recreational consumer. ¶

~~(ed) Sell or give away pressurized containers of butane or other materials that could be used in the home production of marijuana extracts. ¶~~

~~(de) Sell or give away any non-marijuana items that are attractive to minors as defined by these rules. ¶~~

~~(ef) Discount a marijuana item if the retail sale of the marijuana is made in conjunction with the retail sale of any other items, including other marijuana items. ¶~~

~~(fg) Sell a marijuana item at a nominal price for promotional purposes. ¶~~

~~(gh) Permit consumers to be present on the licensed premises or sell to a consumer between the hours of 10:00 p.m. and 7:00 a.m. local time the following day. ¶~~

~~(hi) Permit a licensed representative to handle an unpackaged marijuana item without the use of protective gloves, tools or instruments that prevent the marijuana item from coming into contact with the licensed representative's skin. ¶~~

~~(ij) Sell or transfer a returned marijuana item to another consumer. ¶~~

~~(jk) Sell, transfer, deliver, purchase, possess, accept, return or receive any marijuana item other than as provided in section (2) of this rule. ¶~~

~~(kl) Permit a consumer to open or alter a package containing a marijuana item or otherwise remove a marijuana item from packaging required by these rules within the licensed premises or in an area that the licensee controls. ¶~~

~~(lm) Permit a consumer to bring marijuana items onto the licensed premises except for marijuana items being returned for refund or exchange as allowed by this rule. ¶~~

(n) Sell a marijuana item to an individual that exceeds the concentration limits in OAR 333-007-0210 and 333-007-0220. ¶

(o) Sell any item not allowed under OAR 845-025-3220 or any of the following items: ¶

(A) Pet or animal food, treats, or other pet or animal products containing hemp or marijuana; ¶

(B) Injectable marijuana or hemp items; or ¶

(C) Any other marijuana items not meant for human consumption or use.

Statutory/Other Authority: ORS 475B.025, 475B.1405, 475B.035

Statutes/Other Implemented: ORS 475B.025, 475B.1405, 475B.035

AMEND: 845-025-2840

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-2840

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) Notwithstanding ORS 475B.140-05(2)(d), a marijuana retailer may be located within 1,000 feet of a school if the marijuana retailer is not located within 500 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 or secondary school, teaching children as described in ORS 339.030 (1)(a); and¶¶

(C) The Commission determines that there is a physical or geographic barrier capable of preventing children from traversing to the premises of the marijuana retailer.¶¶

(c) Must be enclosed on all sides by permanent walls and doors.-¶¶

(2) A retailer must post in a prominent place signs that read:¶¶

(a) "No Minors Permitted Anywhere on the Premises";-¶¶

(b) "No On-Site Consumption"; and-¶¶

(c) "Security Cameras in Use."-¶¶

(d) 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. 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.

Statutory/Other Authority: ORS 475B.025, 475B.1405

Statutes/Other Implemented: ~~2016 OL Ch. 83~~, ORS 475B.1406, 475B.1260

AMEND: 845-025-2880

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-2880

Delivery of Marijuana Items by Retailer ¶¶

(1) A marijuana retailer may deliver a marijuana item to a residence in Oregon subject to compliance with this rule. For purposes of this rule, "residence" means a dwelling such as a house or apartment but does not include a dormitory, 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:¶¶

(A) Understands and will follow the requirements for delivery listed in this rule; and¶¶

(B) Has taken steps to ensure the personal safety of delivery personnel, including providing any necessary training.¶¶

(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) The Commission may deny a retailer's request for approval to deliver marijuana items if the retailer does not meet the requirements of this or any other pertinent rule. If the Commission denies the request, the retailer has a right to a hearing under the procedures of ORS chapter 183.¶¶

(e) The Commission may withdraw approval for delivery service at any time if the Commission finds that the retailer is not complying with this rule, the personal safety of delivery personnel is at risk, the retailer's delivery service has been the target of theft, or the delivery service is creating a public safety risk.¶¶

(3) Bona Fide Orders.¶¶

(a) A bona fide order must be received by an approved retailer from the individual requesting delivery, before 8:00 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) Deliveries must be made before 9:00 p.m. local time and may not be made between the hours of 9:00 p.m. and 8:00 a.m. local time.¶¶

(b) The marijuana retailer may only deliver in a motor vehicle to the individual who placed the bona fide order and only to individuals who are 21 years of age or older.¶¶

(c) 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.¶¶

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

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

(f) Marijuana items delivered to an individual's residence must:¶¶

- (A) Comply with the packaging rules in OAR 845-025-7000 to 845-025-7060; 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".-¶
 - (g) A retailer may not carry or transport at any one time more than a total of \$3000 in retail value worth of marijuana items designated for retail delivery.-¶
 - (h) All marijuana items must be kept in a lock-box securely affixed inside the delivery motor vehicle.-¶
 - (i) 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, including the weight or volume and price paid by the consumer;-¶
 - (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) Prohibitions.-¶
 - (a) A retailer may deliver marijuana items only to a location within:-¶
 - (A) The city in which the licensee is licensed, if a licensee is located within a city; or-¶
 - (B) Unincorporated areas of the county in which the licensee is licensed, if a licensee is located in an unincorporated city or area within the county.-¶
 - (b) A retailer may not deliver marijuana items to a residence located on publicly-owned land.-¶
 - (8) Medical Delivery Exemption. Notwithstanding the delivery prohibitions in (7) of this rule, a retail licensee may deliver marijuana items to a patient or a patient's designated primary caregiver at a primary residence per the other provisions of this rule, if the retailer:¶
 - (a) Apply in a form and manner prescribed by the Commission; and¶
 - (b) Receive approval from the Commission.¶
 - (9) Sanction. A violation of any section of this rule that is not otherwise specified in OAR 845-025-8590 is a Category III violation.
- Statutory/Other Authority: ORS 475B.025, 475B.1405, 475B.160206
 Statutes/Other Implemented: ORS 475B.160206

AMEND: 845-025-3200

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-3200

~~Retail~~ Marijuana Processors - Definitions ¶¶

~~For purposes of OAR 845-025-3200 to 845-025-3290:¶¶~~

(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,~~ and includes beverages.

Statutory/Other Authority: ORS 475B.025, 475B.090

Statutes/Other Implemented: ORS 475B.090

AMEND: 845-025-3210

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-3210

~~Retail~~ Marijuana Processors - Endorsements ¶

- (1) A processor may only process and sell cannabinoid edible, topical, 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) Industrial Hemp processor. A processor may only process industrial hemp items if the processor licensee has received an industrial hemp processor endorsement as by required by 845-025-3285.¶
- (3) An applicant must request an endorsement upon submission of an initial application but may also request an endorsement at any time following licensure.¶
- (4) 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.¶
- (5) 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.¶
- (6) An individual processor licensee may hold multiple endorsements.¶
- (7) For the purposes of endorsements any cannabinoid product that is intended to be consumed or ingested orally or applied in the mouth is considered a cannabinoid edible.¶
- (8) 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.¶
- (9) The Commission may deny a processor's request for an endorsement or revoke an existing endorsement if the processor cannot or does not meet the requirements in OAR 845-025-3200 to 845-025-3290 for the endorsement that is requested. If the Commission denies or revokes approval the processor has a right to a hearing under the procedures of ORS chapter 183.

Statutory/Other Authority: ORS 475B.025, 475B.090

Statutes/Other Implemented: ORS 475B.090, 475B.135, ~~2017 OL 476-58~~, 2017 OL 531

AMEND: 845-025-3215

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-3215

Processor Privileges; Prohibitions ¶¶

(1) A processor may: ¶¶

(a) Transfer, sell or transport: ¶¶

(A) Cannabinoid concentrates, extracts, and products for which the processor has an endorsement to a processor, wholesaler, retailer, non-profit dispensary, or research certificate holder; and ¶¶

(B) Marijuana or Industrial Hemp waste to a producer, processor, wholesaler, or research certificate holder. ¶¶

(b) Purchase ~~and~~, possess or receive as allowed by these rules: ¶¶

(A) Whole, non-living marijuana plants that have been entirely removed from any growing medium from a producer, wholesaler, OMMP patient or designated primary care giver, or from a research certificate holder; ¶¶

(B) Usable marijuana from a producer, wholesaler, OMMP patient or designated primary care giver, or from a research certificate holder; ¶¶

(C) Industrial hemp concentrates or extracts from a hemp handler certified by the Commission; ¶¶

(D) Industrial hemp from a hemp grower certified by the Commission; ¶¶

(E) Cannabinoid concentrates, extracts and products from a processor with an endorsement to manufacture the type of product received, or from a research certificate holder; ¶¶

(F) Marijuana or industrial hemp waste from a producer, processor, wholesaler, retailer, laboratory, or research certificate holder; and ¶¶

(G) Cannabinoid concentrates, extracts, and products produced by the licensee that have been held in bailment by a wholesaler. ¶¶

(c) Allow a laboratory licensee to obtain samples for purposes of performing testing as provided in these rules and OAR 333-007-0300 to 333-007-049500. ¶¶

(d) Accept or make returns of marijuana items, as long as the processor: ¶¶

(A) Only accepts or returns usable marijuana, marijuana items, immature marijuana plants, seeds and whole non-living marijuana plants; ¶¶

(B) Only accepts or returns eligible items listed in paragraph (A) of this subsection from the original licensee ~~whom~~ that supplied or purchased the item; and ¶¶

(C) Accurately records the transaction in the CTS. ¶¶

(2) A processor may not ~~+~~: ¶¶

(a) Transfer, sell, transport, purchase, possess, accept, return, or receive any marijuana or hemp item other than as provided in section (1) of this rule; ¶¶

(b) Use any unapproved process; ¶¶

(c) Allow minors on any portion of the licensed premises except as allowed by OAR 845-025-1230. A violation of this is a Category I violation; or ¶¶

(d) Produce any product that is prohibited from sale in a retail store, as set forth in OAR 845-025-2800. ¶¶

(3) A processor must be licensed by the Commission and obtain the proper endorsement for the type of processing they perform per OAR 845-025-3210.

Statutory/Other Authority: ORS 475B.025, 475B.090

Statutes/Other Implemented: ORS 475B.025, 475B.090, ~~2016 OL Ch. 23, OL 2016 Ch. 24, 2017 OL Ch. 531~~

AMEND: 845-025-3250

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-3250

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 21, division 24, division 25, ~~with the exception of OAR 603-025-0020(17)~~ and division 28.¶

(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, single-event temporary restaurant, commissary, mobile unit, bed or breakfast, or warehouse licensed under ORS 624;¶

(b) Share a food establishment with a person not licensed and endorsed by the Commission as a cannabinoid edible processor;¶

(c) Process food intended for commercial sale that does not contain cannabinoids, at the licensed premises; or¶

(d) Use a cannabinoid concentrate or extract to process food unless that concentrate or extract was processed by a licensee in a food establishment licensed by the ODA in compliance with the applicable provisions of OAR chapter 603, division 21, division 24, division 25, ~~with the exception of OAR 603-025-0020(17)~~, and division 28.¶

(3) 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.

Statutory/Other Authority: ORS 475B.025, 475B.090

Statutes/Other Implemented: ORS 475B.090, 475B.1358

AMEND: 845-025-3255

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-3255

Alternating Proprietors ¶¶

(1) A cannabinoid edible or topical processor that applied for a license prior to January 1, 2019, may share a food establishment, as defined in ORS 616.695, with another cannabinoid edible or topical processor, or a cannabinoid concentrate processor who qualifies under this rule prior to January 1, 2019, 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 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 processor licensees does not create an increased compliance risk.¶¶

(B) A processor licensee may only change the schedule with prior written approval from the Commission.¶¶

(b) In addition to the applicable requirements of OAR 845-025-1410, each licensee must designate a separate area to secure any marijuana, cannabinoid products, concentrates or extracts that a licensee stores at the food establishment. The designated area must only be accessible to the licensee. If a cannabinoid processor does not store marijuana, cannabinoid products, concentrates or extracts at the food establishment those items must be stored on a licensed premises.¶¶

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

(3) In order to qualify to share a food establishment under this rule:¶¶

(a) Concentrates manufactured under this rule must be used in the production of the processor's cannabinoid edibles or topicals; and¶¶

(b) Concentrates manufactured under this rule may not be transferred to another licensee.¶¶

(4) A 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.¶¶

(5) Licenses approved before January 1, 2019 may continue to operate with the current ownership structure. Licenses will be non-transferable and the Commission will deny all ownership structure changes.¶¶

(6) Violation of this rule is a Category I violation.

Statutory/Other Authority: ORS 475B.025, 475B.090

Statutes/Other Implemented: ORS 475B.090, 475B.1358

AMEND: 845-025-3260

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-3260

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.¶

(E) If making a concentrate or extract that will be used in a cannabinoid edible, be endorsed as a cannabinoid edible processor and comply with OAR 845-025-3250.¶

(2) Cannabinoid Extracts. A processor with an endorsement to make cannabinoid extracts:¶

(a) May not use pressurized canned flammable fuel, including but not limited to butane and other fuels intended for use in camp stoves, handheld torch devices, refillable cigarette lighters and similar consumer products.¶

(b) Must:¶

~~(A) Process in a:¶~~

~~¶Prior to licensure or renewal the applicant must:¶~~

~~(A) Provide proof in a form and manner specified by the commission that the premises proposed to be licensed has received a Certificate of Occupancy for the intended use issued by the appropriate local building official;¶~~

~~(B) Must list all equipment used in extraction and, if applicable, provide proof that equipment and process has been inspected by a:¶~~

~~(i) Certified mechanical or electrical engineer;¶~~

~~(ii) Industry recognized third party; or¶~~

~~(iii) Manufacturer.¶~~

~~(c) Must process in a:¶~~

~~(A) Fully enclosed room clearly designated on the current diagram of the licensed premises.¶~~

~~(B) Room and with equipment, including all electrical installations that meet the requirements of the Oregon Structural Specialty Code, related Oregon Specialty Codes and the Oregon Fire Code.¶~~

~~(C) Use a professional grade closed loop extraction system designed to recover the solvents and built to codes of recognized and generally accepted good engineering standards, such as those of:¶~~

~~(i) American National Standards Institute (ANSI);¶~~

~~(ii) Underwriters Laboratories (UL); or¶~~

~~(iii) The American Society for Testing and Materials (ASTM).¶~~

~~(D) If using carbon dioxide in processing, use a professional grade closed loop carbon dioxide gas extraction system where every vessel is rated to a minimum of six hundred pounds per square inch.¶~~

~~(D) Have equipment and facilities used in processing approved for use by either the local or state fire code official.¶~~

(E) For extraction system engineering services, including but not limited to consultation on and design of extraction systems or components of extraction systems, use the services of a professional engineer registered

with the Oregon State Board of Examiners for Engineering and Land Surveying, unless an exemption under ORS 672.060 applies.¶

(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.¶

(H) Is subject to inspection by local and state fire officials to maintain the premises Certificate of Occupancy at intervals specified by the fire official.¶

(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 carbon dioxide.¶

(c) May use:¶

(A) A mechanical extraction process; ~~or~~¶

(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 solvent carbon dioxide, provided that the process does not involve the use heat over 180 degrees (Fahrenheit) or pressure.~~

Statutory/Other Authority: ~~475B.090~~, ORS 475B.025, ~~475B.090~~

Statutes/Other Implemented: ORS 475B.090, 2017 OL Ch. 531

AMEND: 845-025-3305

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-3305

Processing for Cardholders

(1) Eligibility. A processor licensed under ORS 475B.090 who has registered in the form and manner prescribed by the commission may receive usable marijuana from a patient or the patient's designated primary caregiver and, for a fee, process that usable marijuana into cannabinoid products, concentrates and extracts for transfer to the patient or the patient's designated primary caregiver subject to the following conditions:¶

(a) The processor cannot receive more than 24 ounces of usable marijuana from a patient or the patient's designated primary caregiver in a single transaction; and¶

(b) The processor cannot receive more than three pounds from a patient or the patient's designated primary caregiver in any 12-month period;¶

(c) The processor may not transfer more than the following amounts of marijuana items to a patient or the patient's designated primary caregiver in a single transaction:¶

(A) One ounce of cannabinoid extracts;¶

(B) 16 ounces of cannabinoid concentrates;¶

(C) 16 ounces of cannabinoid products in solid form; ~~or~~¶

(D) 72 ounces of cannabinoid products in liquid form; or¶

(E) Five grams of cannabinoid products intended for inhalation. ¶

(d) In total the processor may not transfer more than the following amounts of marijuana items to a patient or the patient's designated primary caregiver in any 12 month period:¶

(A) Two ounces of cannabinoid extracts;¶

(B) 32 ounces of cannabinoid concentrates;¶

(C) 32 ounces of cannabinoid products in solid form; or¶

(D) 144 ounces of cannabinoid products in liquid form.¶

(e) The processor must:¶

(A) Record all activity under this rule in CTS; and¶

(B) Have the proper endorsements listed within 845-025-3210.¶

(2) Transfer requirements. Prior to transferring any cannabinoid products, concentrates or extracts processed under this rule to a patient or the patient's designated primary caregiver the processor must:¶

~~(a) Label the package with a~~ Securely affix a label that contains the following information in a legible font to all containers holding a marijuana item:¶

(A) A statement that reads: "Marijuana item. Not for resale."; and "NOT FOR SALE" in bold, capital letters attached to the marijuana item.¶

(B) The universal symbol;¶

(C) The UID number; ¶

(D) The business name and license number of the processor; and¶

(E) The net weight or volume of the marijuana or marijuana item.¶

(b) Comply with the:¶

(A) Testing requirements applicable to licensed processors in ORS 475B.550 to ORS 475B.590 and OAR 333-007-0300 to 333-007-049500;¶

(B) The concentration limit requirements in ORS 475B.625 and any rules adopted thereunder; and¶

~~(C) Packaging and labeling requirements, as set forth in OAR 333-007-0010 to 333-007-0100~~ Generate a manifest in CTS and carry a physical copy of the manifest during transportation, if delivering to a patient or

designated primary caregiver. If the cardholder or designated primary caregiver is picking up the cannabinoid products, extracts or concentrates from the processor, a physical manifest is not required to be printed but must be generated in CTS.

(3) Record Keeping. In addition to the requirements of (1)(e) the processor must record all patient or designated primary caregiver's OMMP number from whom they receive usable marijuana and the OMMP number of the patient or designated primary caregiver to whom they transfer cannabinoid products, concentrates and extracts.

(4) Processing Requirements. The processor may only combine usable marijuana received from patients or designated primary caregivers when processing cannabinoid products, concentrates and extracts for a patients or the patients' designated primary caregiver. A processor may not add or contribute any other usable marijuana or hemp items to the processing.

(a) When distributing a cannabinoid product derived from usable marijuana received from multiple patients in (4) of this rule, the processor must distribute in proportional shares.

(b) The processor must segregate all usable marijuana received under this rule and all cannabinoid products, concentrates and extracts processed under this rule from its other inventory.

(5) Violations. The Commission may cancel or suspend a licensed processor's registration under this rule or the processor's license if the processor violates these rules.

Statutory/Other Authority: ORS 475B.025, 475B.090 , ~~2017 OL Ch. 183~~ 475B.139

Statutes/Other Implemented: 475B.090 , ~~2017 OL Ch. 183~~ 475B.139

AMEND: 845-025-3500

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-3500

Wholesale License Privileges; Prohibitions ¶¶

- (1) A wholesale licensee may:¶¶
- (a) Sell, including sale by auction, transfer ~~and, deliver or~~ transport:¶¶
 - (A) Any type of or marijuana item to a retailer, wholesaler, non-profit dispensary or research certificate holder, except that whole, non-living marijuana plants may not be transferred to a retailer or to a non-profit dispensary;¶¶
 - (B) Immature marijuana plants and seeds to a producer;¶¶
 - (C) Usable marijuana to ~~a~~ the producer licensee that the wholesale licensee has stored on the producer's behalf;¶¶
 - (D) Usable marijuana, cannabinoid extracts and concentrates to a processor licensee;¶¶
 - (E) Marijuana waste to a producer, processor, wholesaler or research certificate holder; and¶¶
 - (F) An industrial hemp commodity or product received from a processor licensee of the Commission.¶¶
 - (b) Purchase, possess or receive:¶¶
 - (A) Any type of marijuana item from a wholesaler;¶¶
 - (B) Cannabinoid concentrates, extracts, and products from a processor with an endorsement to manufacture the type of product received;¶¶
 - (C) Seeds, immature plants or usable marijuana from a producer;¶¶
 - (D) Whole, non-living marijuana plants that have been entirely removed from any growing medium from a producer;¶¶
 - (E) Marijuana waste from a producer, processor, wholesaler, retailer, laboratory, or research certificate holder; and¶¶
 - (F) Industrial hemp commodities and products from a processor licensee of the Commission.¶¶
 - (c) Transport and store marijuana items received from other licensees, pursuant to the requirements of OAR 845-025-7500 to 845-025-7590 and 845-025-7700.¶¶
 - (d) Allow a laboratory licensee to obtain samples for purposes of performing testing as provided in these rules and OAR 333-007-0300 to 333-007-049500.¶¶
 - (e) Accept or make returns of marijuana items, as long as the wholesaler:¶¶
 - (A) Only accepts or returns usable marijuana, marijuana items, immature marijuana plants, seeds and whole non-living marijuana plants;¶¶
 - (B) Only accepts or returns eligible items listed in (A) of this section from the original licensee whom supplied or purchased the item; and¶¶
 - (C) Accurately records the transaction and its disposition once returned in the CTS.¶¶
 - (f) Trim whole non-living plants and usable marijuana on behalf of a producer licensee, as long as both the wholesale licensee and producer licensee comply with all applicable rules including tracking all transactions and any packaging of marijuana items in CTS; and if:¶¶
 - (A) Trimming is performed on the wholesaler's licensed premises; or¶¶
 - (B) Trimming is performed at the producer's licensed premises and the wholesale licensee holds a "For Hire Trimming Privilege" as set forth in OAR 845-025-3505.¶¶
- (2) A wholesale licensee may not sell, ~~deliver, purchase, or receive~~ transfer, deliver, transport, purchase, possess, receive, store, accept, return or trim any marijuana item other than as provided in section (1) of this rule.¶¶
- (3) For purposes of this rule, "marijuana item" does not include a mature marijuana plant.
- Statutory/Other Authority: ORS 475B.025, 475B.090

Statutes/Other Implemented: ORS 475B.100, 475B.400, ~~2016 OL Ch. 23~~, 2017 OL Ch. 531, 2017 OL Ch. 183
2017 OL Ch. 531

AMEND: 845-025-3510

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-3510

Micro-Wholesaler License Privileges ¶¶

(1) A micro-wholesale licensee may:¶¶

(a) Purchase, possess, or receive usable marijuana, immature marijuana plants, seeds, whole non-living marijuana plants and marijuana waste only from a producer with a micro tier I or micro tier II canopy; and¶¶

(b) Accept or make returns marijuana items, as long as the micro-wholesale licensee:¶¶

(A) Only accepts or returns usable marijuana, marijuana items, immature marijuana plants, seeds and whole non-living marijuana plants;¶¶

(B) Only accepts or returns eligible items listed in paragraph (A) of this subsection from a producer with a micro tier I or micro tier II canopy; and¶¶

(C) Accurately records the transaction in the CTS.¶¶

~~(2) A micro-wholesaler may not transfer, sell transport, purchase, or receive any marijuana item other than as provided in section (3) of this rule.¶¶~~

~~(3) Sell including sale by auction, transfer and, deliver or transport:¶¶~~

(a) Usable marijuana to a retailer, wholesaler, processor, non-profit dispensary or research certificate holder;¶¶

(b) Seeds and immature plants to a retailer, wholesaler, producer, non-profit dispensary or research certificate holder;¶¶

(c) Whole non-living marijuana plants to a wholesaler, processor or non-profit dispensary; and¶¶

(d) Marijuana waste to a producer, processor, wholesaler or research certificate holder.¶¶

~~(4) Transport and store marijuana items received from producers with a micro tier 1 or micro tier II canopy, pursuant to the requirements of OAR 845-025-7500 to 845-025-7590 and 845-025-7700.¶¶~~

~~(5) Allow a laboratory licensee to obtain samples for purposes of performing testing as provided in these rules and OAR 333-007-0300 to 333-007-0490500.¶¶~~

(5) A micro-wholesaler may not purchase, possess, receive, sell, transfer, deliver, transport, trim or store any marijuana item other than as provided in this rule.

Statutory/Other Authority: ORS 475B.025, 475B.075

Statutes/Other Implemented: ORS 475B.075, 2016 OL Ch. 24

AMEND: 845-025-5000

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-5000

Laboratory License Privileges; Requirements ¶

(1) A licensed marijuana testing laboratory may:¶

(a) Obtain samples of marijuana items from licensees or registrants for the purpose of testing as provided in these rules and OAR 333-007-0300 to 333-007-049500 if the laboratory has an accredited scope item for sampling;¶

(b) Transport and dispose of samples as provided in these rules;¶

(c) Perform testing on marijuana items in a manner consistent with the laboratory's accreditation by the Authority, these rules, OAR 333-007-0300 to 333-007-049500, and OAR 333, Division 64; and¶

(d) Transfer the laboratory's marijuana waste to a producer, processor, wholesaler, or research certificate holder.¶

(2) A licensed marijuana testing laboratory must, upon request of the Oregon Department of Agriculture, provide a test result and any other information or sample material to the Department.¶

(3) Notwithstanding the requirements of OAR 845-025-1230, a laboratory licensee may permit a registrant 18 years of age or older to be present on the licensed premises for the purpose of delivering a marijuana item for sampling and testing.¶

(4) Nothing in these rules prohibits a laboratory licensee from testing industrial hemp or industrial hemp commodities and products in accordance with Oregon Laws 2016, Chapter 71, Section 9 the rules established by the Oregon Department of Agriculture.¶

(5) A licensed laboratory may return a marijuana item obtained for purposes of testing to the licensee, registrant or research certificate holder, in accordance with any applicable accreditation standards for retaining samples. The return of such marijuana items must be entered into CTS or, if the return is to a registrant, documented in the laboratory's records.¶

(6) A licensed laboratory may not obtain samples, transport, dispose of, perform testing, transfer or return any marijuana item other than as provided in this rule.

Statutory/Other Authority: ORS 475B.560

Statutes/Other Implemented: ORS 475B.560

AMEND: 845-025-5500

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-5500

Marijuana Worker Permit ¶¶

(1) A marijuana worker permit is required for any individual who performs work for or on behalf of a marijuana retailer, producer, processor or wholesaler if the individual participates in: ¶¶

(a) The possession, handling, production, propagation, processing, securing or selling of marijuana items at the premises for which the license has been issued; ¶¶

(b) The recording of the possession, handling, production, propagation, processing, securing or selling of marijuana items at the premises for which the license has been issued; ¶¶

(c) The verification of any document described in ORS 475B.170~~216~~; or ¶¶

(d) The direct supervision of a person described in subsections (a) to (c) of this section. ¶¶

(2) An individual who is required by section (1) of this rule to hold a marijuana worker permit must carry that permit on his or her person at all times when performing work on behalf of a marijuana retailer. ¶¶

(3) A person who holds a marijuana worker permit must notify the Commission in writing within 10 days of any conviction for a felony. ¶¶

(4) A marijuana retailer, producer, processor or wholesaler must verify that an individual has a valid marijuana worker permit issued in accordance with OAR 845-025-5500 to 845-025-5590 before allowing the individual to perform any work at the licensed premises.

Statutory/Other Authority: ORS 475B.215, 475B.218~~66~~

Statutes/Other Implemented: ORS 475B.215, 475B.218~~66~~, 2016 OL Ch. 23, 2017 OL Ch. 183

AMEND: 845-025-5540

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-5540

Marijuana Worker Permit Denial Criteria ¶

(1) The Commission must deny an initial or renewal application if the applicant:¶

(a) Is not 21 years of age or older; ~~or~~¶

(b) Has had a marijuana license or worker permit revoked for violation of ORS 475B.010 to 475B.~~395~~45 or any rule adopted under ORS 475B.010 to 475B.~~395~~45 within two years of the date of the application.¶

(2) The Commission may deny an initial or renewal application, if the applicant:¶

(a) Has been convicted of a felony for possession, manufacture or delivery of a controlled substance ~~or a misdemeanor or felony under ORS 475.856, 475.858, 475.860 or 475.862~~ within three years of the date the Commission received the application, except that the Commission will not consider convictions for:¶

~~(A) Possession of marijuana; or~~¶

~~(B) Manufacture or delivery of marijuana if the date of the conviction is two or more years prior to~~within three years of the date the Commission received the application.¶

~~(b) Has been convicted of an offense under 475B.010 to 475B.545 within two years of the date of the application or renewal.;~~¶

~~(bc) Has been convicted of a felony for a crime involving violence within three years of the date the Commission received the application.;~~¶

~~(ed) Has been convicted of a felony for a crime of dishonesty or deception, including but not limited to theft, fraud, or forgery, within three years of the date the Commission received the application.;~~¶

~~(de) Has been convicted of a felony for a crime involving a firearm, within three years of the date the Commission received the application.;~~¶

~~(ef) Has more than one conviction for any of the crimes listed in subsections (a) to (de) of this section within five years of the date the Commission received the application.;~~¶

~~(fg) Has violated any provision of ORS 475B.010 to 475B.~~395~~45 or any rule adopted under ORS 475B.010 to 475B.~~395~~45; or~~¶

~~(gh) Makes a false statement to the Commission; or~~¶

~~(i) Fails to submit forms, documents or information required to determine whether the applicant meets the requirements described in ORS 475B.266 or fees described in OAR 875-025-1060 within a time period prescribed by the Commission.~~¶

(3) If the Commission denies an application under subsection (2)(~~fg~~) to (~~gh~~) of this rule the individual will not be eligible for a permit for two years from the date the Commission received the application.¶

(4) A Notice of Denial must be issued by the Commission in accordance with ORS Chapter 183.

Statutory/Other Authority: ORS 475B.215, 475B.~~218~~66

Statutes/Other Implemented: ORS 475B.~~26~~15, 475B.~~26~~18, 2016 OL Ch. 24

AMEND: 845-025-5590

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-5590

Suspension or Revocation ¶¶

- (1) The Commission may suspend or revoke the permit of any marijuana worker if the worker:¶¶
- (a) ~~Has been~~is convicted of a felony, ~~except for a felony described ORS 475B.218(4)(a) or is convicted of an offense under ORS 475B.010 to 475B.545, within two years of the application or renewal;~~¶¶
 - (b) Has violated a provision of ORS 475B.010 to 475B.395 or these rules; or¶¶
 - (c) Makes a material false statement to the Commission.¶¶
- (2) The Commission will revoke a marijuana worker permit if a permittee knowingly sells a marijuana item to a person under 21 years of age.¶¶
- (3) The Commission may suspend or revoke the permit for any marijuana worker for any reasons that would be the basis for denying a permit application under OAR 845-025-5540.¶¶
- (4) If an individual's permit is revoked under sections (1)(b) or (c) of this rule future applications will be denied if received within two years of the date the final order of revocation was issued.¶¶
- (5) A notice of suspension or revocation must be issued by the Commission in accordance with ORS 183.¶¶
- (6) A permittee is subject to discipline for a violation of any rule of this Chapter in the same manner as a licensee.

Statutory/Other Authority: ORS 475B.266, ORS 475B.261

Statutes/Other Implemented: ORS 475B.266, ORS 475B.261

AMEND: 845-025-7000

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-7000

Packaging and Labeling - Definitions ¶¶

For the purposes of OAR 845-025-7000 through 845-025-7190, unless otherwise specified:¶¶

(1) "Activation time" means the amount of time it is likely to take for an individual to begin to feel the effects of ingesting or inhaling a marijuana item.¶¶

(2) "Added substances" means any ~~additional~~ component or ingredient added to usable marijuana, cannabinoid concentrate or cannabinoid extract during or after processing that is present in the final ~~product.~~ cannabinoid product including but not limited to This includes added flavors, non-marijuana derived terpenes, and any substances used to change viscosity or consistency of the cannabinoid product.¶¶

(3) "Attractive to minors" means packaging, receptacles, inhalant delivery devices, labeling and marketing that features:¶¶

(a) Cartoons;¶¶

(b) A design, brand or name that resembles a non-cannabis consumer product of the type that is typically marketed to minors;¶¶

(c) Symbols or celebrities that are commonly used to market products to minors;¶¶

(d) Images of minors; and¶¶

(e) Words that refer to products that are commonly associated with minors or marketed by minors.¶¶

(4) "Authority" means the Oregon Health Authority.¶¶

(5) "Cannabinoid" for the purposes of labeling means any of the chemical compounds that are the active constituents of marijuana or industrial hemp.¶¶

(6) "Cannabinoid capsule" means a small, soluble pill, tablet, or container that contains liquid or powdered cannabinoid product, concentrate or extract and is intended for human ingestion.¶¶

(7) "Cannabinoid concentrate or extract" means a substance obtained by separating cannabinoids from marijuana by a mechanical, chemical or other process. For the purposes of labeling, cannabinoid concentrate or extract also includes concentrates and extracts derived from industrial hemp.¶¶

(8)(a) "Cannabinoid edible" means:¶¶

(A) Food or potable liquid into which a cannabinoid concentrate or extract or the dried leaves or flowers of marijuana have been incorporated; or¶¶

(B) For purposes of labeling, includes any marijuana, cannabinoid concentrate, extract or cannabinoid product that is intended for human consumption or marketed in a manner that implies the item is for human consumption.¶¶

(b) For purposes of labeling "cannabinoid edible" does not include a cannabinoid tincture or capsule.¶¶

(9) "Cannabinoid product" means:¶¶

(a) 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; or¶¶

(b) Usable marijuana, cannabinoid extracts and cannabinoid concentrates that have been combined with an added substance.¶¶

(c) "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.¶¶

- (10) "Cannabinoid tincture" means a liquid cannabinoid product packaged in a container of 4 fluid ounces or less that consists of either:¶¶
- (a) ~~A a non-potable solution consisting of~~ amprised of.¶¶
 - (a) At least 25% non-denatured alcohol, in addition to cannabinoid concentrate, extract or usable marijuana, and perhaps other ingredients intended for human consumption or ingestion, that is exempt from the Liquor Control Act under ORS 471.035; or¶¶
 - (b) ~~A non-potable solution comprised of~~ Glycerin, plant-based oil, or concentrated syrup; cannabinoid concentrate, extract or usable marijuana; and ~~perhaps~~ other ingredients that does not contain any added sweeteners and is intended for human consumption or ingestion.¶¶
- (11) "Cannabinoid topical" means a cannabinoid product intended to be applied to skin or hair.¶¶
- (12) "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.¶¶
- (13) "CBD" means cannabidiol.¶¶
- (14) "Child resistant" means designed or constructed to be significantly difficult for children under five years of age to open and not difficult for adults to use properly.¶¶
- (15) "Commission" means the Oregon Liquor Control Commission.¶¶
- (16) "Consumer"; for the purposes of these rules, has the meaning given that term in ORS 475B.015 and does not include a patient or designated primary caregiver.¶¶
- (17) "Container".¶¶
- (a) Means a sealed, hard or soft-bodied receptacle in which a marijuana item is placed and any outer receptacle intended to display a marijuana item for ultimate sale to a consumer, patient, or designated primary caregiver.¶¶
 - (b) Does not mean:¶¶
 - (A) Inner wrapping or lining;¶¶
 - (B) An exit package; or¶¶
 - (C) A shipping container used to transfer marijuana items or industrial commodities or products in bulk from one licensee or registrant to another.¶¶
- (18) "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.¶¶
- (19) "Delta-9 THC" is the principal psychoactive constituent (the principal cannabinoid) of cannabis.¶¶
- (20)(a) "Designated primary caregiver" means an individual:¶¶
- (A) Who is 18 years of age or older;¶¶
 - (B) Who has significant responsibility for managing the well-being of a person who has been diagnosed with a debilitating medical condition; and¶¶
 - (C) Who is designated as the person responsible for managing the well-being of a person who has been diagnosed with a debilitating medical condition on that person's application for a registry identification card or in other written notification submitted to the Authority.¶¶
 - (b) "Designated primary caregiver" does not include a person's attending physician.¶¶
- (21) "Exit Package" means a sealed, child-resistant certified receptacle into which marijuana items already within a container are placed at the point of sale.¶¶
- (22) "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; and includes beverages.¶¶
- (23) "Generic label" means a label that contains only the information required by rule.¶¶
- (a) A generic label may not contain any graphics, pictures, or logos other than symbols required by these rules.¶¶

- (b) A generic label may include additional test information not required by rule or additional information described in OAR 845-025-7160(7)(c).¶
- (24) "Grower" has the same meaning as "person responsible for a marijuana grow site."-¶
- (25) "Health claim" means any claim made on the label that expressly states or implies a relationship between a substance and a disease or health-related condition.¶
- (26) "Hemp symbol" means the image, established by the Commission and made available to licensees, indicating the item contains industrial hemp.¶
- (27) "Industrial hemp commodity or product" means an item processed by a handler or processor containing any industrial hemp or containing any chemical compounds derived from industrial hemp, including CBD derived from industrial hemp. "Industrial hemp commodity or product" does not include industrial hemp that has been minimally processed or has not been processed in any form.-¶
- (28) "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.¶
- (29) "Intended for human use" means intended to be used by applying it to a person's skin or hair, inhalation or otherwise consuming the product except through the mouth.¶
- (30) "Label" means any display of written, printed, or graphic matter printed on or affixed to any container, wrapper, liner, or insert accompanying the marijuana item or industrial hemp commodity or product.¶
- (31) "Licensee" has the meaning given that term in ORS 475B.015.-¶
- (32) "Major food allergen" means an ingredient that contains any of the foods or food groups listed in subsections (a) to (h) or an ingredient that contains protein derived from one of the foods listed in subsections (a) to (h)¶
- (a) Milk;-¶
- (b) Egg;-¶
- (c) Fish;-¶
- (d) Crustacean shellfish;-¶
- (e) Tree nuts;-¶
- (f) Wheat;-¶
- (g) Peanuts; and-¶
- (h) Soybeans.-¶
- (33)(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.-¶
- (34) "Marijuana item" means marijuana, usable marijuana, a cannabinoid product, or a cannabinoid concentrate or extract.-¶
- (35) "Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid extract" means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a concentration of THC that is permitted under ORS 475B.625 in a single serving of the cannabinoid product, cannabinoid concentrate or cannabinoid extract for a patient.-¶
- (36) "Medical grade symbol" means the image established by the Commission and made available to licensees indicating the cannabinoid product, concentrate or extract may only be sold or transferred to a designated primary caregiver or patient, for use only by a patient.-¶
- (37) "Medical marijuana dispensary" means a facility registered under ORS 475B.858.-¶
- (38) "Net quantity of contents" means a statement on the principal display panel of the net weight or net volume of the product expressed in the terms of weight, measure, or numerical count.¶
- (39) "Net volume" means the fluid measure of a liquid product expressed as milliliters and fluid ounces.¶
- (40) "Net weight" means the gross weight minus the tare weight of the packaging expressed as ounces and grams or milligrams. "Net weight" as applied to pre-rolled marijuana includes the dried marijuana leaves and flowers, the rolling paper, and the filter or tip.¶
- (41)(a) "Other Cannabinoid Product" means a cannabinoid product that contains two or more ingredients and is not intended for human consumption, including but not limited to products that combine usable marijuana and

concentrates or extracts; or usable marijuana, concentrates or extracts that contain added substances.¶

(b) "Other Cannabinoid Product" does not include pre-rolled marijuana consisting of only dried marijuana leaves and flowers, an unflavored rolling paper and a filter or tip.¶

(42) "Patient" has the same meaning as "registry identification cardholder."-¶

(43) "Person responsible for a marijuana grow site" means a person who has been selected by a patient to produce medical marijuana for the patient, and who has been registered by the Authority for this purpose and has the same meaning as "grower."-¶

(44) "Place of address" means the name, mailing address, city, state and zip code of the processor who made the cannabinoid edible.-¶

(45) "Principal display panel" means the part of a label on a package or container that is most likely to be displayed, presented, shown or seen under customary conditions of display for sale or transfer.-¶

(46) "Processor" means a person:-¶

(a) Licensed by the Commission to process marijuana under ORS 475B.090; or-¶

(b) Registered with the Authority under ORS 475B.840 as a processing site and who is not exempt from labeling requirements under ORS 475B.605-¶

(47) "Producer" means a person:-¶

(a) Licensed by the Commission to produce marijuana under ORS 475B.070; and-¶

(b) Registered with the Authority under ORS 475B.810 as a grower and who is not exempt from labeling requirements under ORS 475B.605.-¶

(48) "Product identity" means a truthful or common name of the product that is contained in the package.-¶

(49) "Registrant" means a person registered with the Authority under ORS 475B.785 to 475B.949.-¶

(50) "Registry identification cardholder" means a person to whom a registration card has been issued under ORS 475B.797.-¶

(51) "Serving" or "serving size" means an amount of product that is suggested for use by a consumer or patient trying the item for the first time.¶

(52) "THC" means tetrahydrocannabinol and includes both THCA and delta 9 THC.¶

(53) "These rules" means OAR 845-025-7000 through 845-025-7190.-¶

(54) "UID number" for the purpose of labeling, means the unique identification number generated by CTS at the time the marijuana item was packaged and labeled for ultimate sale to a consumer, patient, or designated primary caregiver.¶

(55) "Ultimate sale" means the final sale from a retail location or dispensary to a consumer, patient, or designated primary caregiver.¶

(56) "Universal symbol" means the image, established by the Authority and made available to licensees and registrants, indicating the marijuana item contains marijuana.-¶

(57)(a) "Usable marijuana" means the dried leaves and flowers of marijuana.-¶

(b) "Usable Marijuana" includes pre-rolled marijuana as long as the pre-roll consists of only dried marijuana leaves and flowers, an unflavored rolling paper and a filter or tip.¶

(c) "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.

Statutory/Other Authority: ORS 475B.605

Statutes/Other Implemented: ORS 475B.605

AMEND: 845-025-7030

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-7030

Labeling for Sale to Consumer ¶¶

(1) A label required by these rules must:¶¶

- (a) Be printed on or affixed to the container holding the marijuana item or industrial hemp commodity or product and printed on or affixed to any outer package or container that is used to display the marijuana item or industrial hemp commodity or product for sale or transfer to a consumer, patient or designated primary caregiver;¶¶
- (b) Comply with the National Institute of Standards and Technology (NIST) Handbook 130 (2016), Uniform Packaging and Labeling Regulation, incorporated by reference;¶¶
- (c) Contain all required information in any typed, legible font that is easy to read and contrasts sufficiently with the background and is at least 1/16th of an inch in height based on the uppercase "K";¶¶
- (d) Be in English, though it can be in other languages; and¶¶
- (e) Be unobstructed and conspicuous.¶¶

(2) A label may not:¶¶

- (a) Contain any untruthful or misleading statements including, but not limited to, a health claim that is not supported by the totality of publicly available scientific evidence (including evidence from well-designed studies conducted in a manner that is consistent with generally recognized scientific procedures and principles), and for which there is significant scientific agreement, among experts qualified by scientific training and experience to evaluate such claims; or¶¶
- (b) Be attractive to minors, as that is defined in OAR 845-025-7000.¶¶

(3) Principal Display Panel.¶¶

- (a) Every container that holds a marijuana item or industrial hemp commodity or product for sale or transfer to a consumer, patient or designated primary caregiver must have a principal display panel, as that term is defined in OAR 845-025-7000.¶¶
- (b) If a container holding the marijuana item or industrial hemp commodity or product is placed within another container for sale or transfer to a consumer, patient or designated primary caregiver, both containers must have a principal display panel as that term is defined in OAR 845-025-7000 in addition to the other labeling requirements provided in these rules.¶¶
- (c) The principal display panel must contain the product identity, net quantity of contents, and universal symbol or hemp symbol, whichever is applicable.¶¶
- (d) If the product is a medical grade cannabinoid product, concentrate or extract processed by a licensee, the principal display panel must also include the medical grade symbol.¶¶
- (e) If the product is an industrial hemp commodity or product processed by a licensee, the principal display must include the hemp symbol in place of the universal symbol.¶¶

(4) Product Identity¶¶

- (a) The product identity be in bold type, in a size reasonably related to the most prominent printed matter on the principal display panel, and shall be parallel to the base on which the package rests as it is designed and displayed.¶¶
- (b) The product identity must clearly identify whether the item is derived from marijuana or hemp. An item that contains both industrial hemp and marijuana must identify the item as a marijuana item.¶¶
- (c) The product identity for cannabinoid extracts and concentrates must correctly identify whether the product is an extract or a concentrate.¶¶

(5) Net Quantity Declaration¶¶

(a) The net quantity of contents provided on the principal display panel must be the average net quantity of contents of all of the packages in the batch.¶¶

(b) The net quantity declaration shall be in terms of fluid measure if the item is liquid, or in terms of weight if the item is solid, semi-solid, or viscous.¶¶

(c) The net quantity declaration shall be a distinct item separated from other printed label information on all sides by at least a space equal to the height of the lettering used in the declaration. The declaration shall be presented in bold type in the bottom 30 percent of the principal display panel and in lines generally parallel with the base of the container.¶¶

(6) Potency Labeling¶¶

~~(a)~~ The THC and CBD amounts required to be on a label must be the value calculated by the laboratory that did the testing in accordance with OAR 333-064-0100. The potency value shall be expressed as an average of the samples taken and tested under OAR 333-007-0360. A label may not have a THC value that exceeds the applicable maximum concentration limit.¶¶

~~(b)~~ A label may make a voluntary declaration of the target amount of THC and CBD for the item on the principal display panel as long as:¶¶

~~(A)~~ The THC and CBD amounts by over 10 percents are based on the value calculated by the laboratory that did the testing in accordance with specified in OAR 333-06407-01200, plus or minus ten percent, and¶¶

~~(B)~~ The actual THC and CBD amounts calculated by the laboratory are also provided elsewhere on the label. to 333-007-0220, as applicable.¶¶

(7) The universal symbol. The universal symbol must be at least 0.48 inches wide by 0.35 inches high and can be downloaded on the Commission's website.¶¶

(8) Medical grade symbol. The medical grade symbol must be at least 0.35 inches in diameter and can be downloaded at marijuana.oregon.gov.¶¶

(9) Hemp symbol. The hemp symbol must be at least 0.48 inches wide by 0.35 high and can be downloaded on the Commission's website.¶¶

(10) A marijuana item or industrial hemp commodity or product may have one or more label panels printed on or affixed to the container or packaging.¶¶

(11) Small Container Label. A marijuana item or industrial hemp commodity or product that is in a container that because of its size does not have sufficient space for a label that contains all the information required for compliance with these rules:¶¶

(a) May, in lieu of a label that has all the information required in OAR 845-025-7030 to 845-025-7140, have a label printed on or affixed to the container holding the marijuana item or industrial hemp commodity or product that includes at least the following:¶¶

(A) A principal display panel containing the net weight or volume, product identity, and universal symbol;¶¶

(B) Licensee business or trade name and license number or registrant business or trade name and registrant number;¶¶

(C) UID number;¶¶

(D) Concentration or amount of THC and CBD in the container; and¶¶

(E) Required warnings.¶¶

(i) For a retail marijuana item or industrial hemp commodity or product, the following warning is required on the label: "For use only by adults 21 and older. Keep out of reach of children."¶¶

(ii) For a medical marijuana item, the following warning is required on the label: "For use by OMMP patients only. Keep out of reach of children."¶¶

(b) Must include all required label information on an outer container or other required label information not listed in subsection (11)(a) of this rule on a hangtag attached to the marijuana item or industrial hemp commodity or product.¶¶

(c) May use a peel-back or accordion label with the information required in subsection (11)(b) of this rule on the inside of the peel-back or accordion label, if the peel-back or accordion label can be easily identified by a patient or

consumer as containing important information.-¶

(12) Tiny Container Label. A marijuana item or industrial hemp commodity or product that is in a container that has a complete surface area available for applying a label that is less than 2 inches squared:¶

(a) May have a label printed on or affixed to the container that holds the marijuana item or industrial hemp commodity or product that includes at least the following:¶

(A) A principal display panel with the universal symbol and product identity;-¶

(B) UID number;¶

(C) Concentration or amount of THC and CBD in the container;¶

(D) Licensee or registrant business or trade name and license or registrant number; and¶

(E) A warning that reads: "Keep out of reach of children."¶

(b) Must include all required label information on an outer container or other required label information not listed in subsection (12)(a) of this rule on a hangtag attached to the marijuana item or industrial hemp commodity or product.-¶

(c) May use a peel-back or accordion label with the information required in subsection (12)(c) of this rule on the inside of the peel-back or accordion label, if the peel-back or accordion label can be easily identified by a patient or consumer as containing important information.-¶

(13) The outer container used to display the marijuana item or industrial hemp commodity or product for sale or transfer to a consumer, patient, or designated primary caregiver must comply with the labeling requirements in these rules, even if an inner container qualifies for the exception under section (11) or (12) of this rule.¶

(14) A marijuana item or industrial hemp commodity or product that simultaneously falls within more than one category, for example a cannabinoid concentrate that is intended for human consumption, must comply with the labeling requirements that apply to both cannabinoid concentrates and cannabinoid edibles, with the exception of the "DO NOT EAT" warning if the product is intended for human consumption or the "BE CAUTIOUS" warning if the effects of the product are customarily felt immediately.¶

(15) If a marijuana item or industrial hemp commodity or product is placed in a package that is being re-used, the old label must be removed and it must have a new label.-¶

(16) A licensee or registrant must have documentation that demonstrates the validity of the calculation of the amount of sodium, cholesterol, protein, sugar, carbohydrates and total fat in a cannabinoid edible and must make that documentation available to the Commission or the Authority upon request.-¶

(17)(a) A marijuana item or industrial hemp commodity or product that contains an ingredient consisting of two or more sub ingredients must either:¶

(A) Use the common name of the ingredient followed by a parenthetical listing of all ingredients in a descending order of predominance; or-¶

(B) List all sub ingredients as individual ingredients in descending order of predominance.¶

(b) The list of ingredients must include any substance used in processing, preparing, manufacturing, packaging, or holding the cannabinoid product that is present in the final product, including any cooking or release spray.¶

(c) The list of ingredients must correctly identify the type of marijuana item or industrial hemp ingredient used to make the product.-¶

(18) A cannabinoid edible that contains only a single serving may omit the servings per container declaration as long as the label clearly states that the package contains a single serving.¶

(19) A cannabinoid edible shall use one of the nutrition information formats provided by the Commission to display on the label the amount of calories, sodium, protein, added sugars, cholesterol, total carbohydrates, and total fat per serving, the serving size and number of servings per container, and the list of ingredients and potential allergens.¶

(20) If the container holding the marijuana item or industrial hemp commodity or product does not meet the child resistant standards set out in these rules, the outermost label must contain the following statement: "This package is not child resistant."¶

(21) Exit packaging must contain a label that reads: "Keep out of the reach of children."-¶

(22) A cartridge or vaporizing device containing a cannabinoid or hemp concentrate, extract or product intended

for use with an inhalant delivery system as that is defined in ORS 431A.175 is not required to be labeled in accordance with these rules except that the cartridge or device must have a label with the universal symbol or hemp symbol, as appropriate. All the remaining label requirements must be included on the packaging as required by these rules.¶

(23) The Commission may require that marijuana items and industrial hemp commodities and products sold at retail by Commission licensees be labeled with a Universal Product Code.¶

(24) Once a label is approved by the Commission, the label identification number provided by the Commission must be prominently displayed on the label of the outermost container.¶

(25) If a cannabinoid concentrate or extract contains any added substances, the item shall be considered a cannabinoid product and labeled under OAR 845-025-7120.

Statutory/Other Authority: ORS 475B.605

Statutes/Other Implemented: ORS 475B.605

AMEND: 845-025-7160

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-7160

Packaging and Labeling Pre-approval Process

(1) Prior to selling, offering for sale, or transferring a marijuana item or industrial hemp commodity or product that is for ultimate sale to a consumer, patient, or designated primary caregiver, a licensee, a license applicant or a registrant must submit both a package and a label application to and receive approval from the Commission.¶

(a) The initial submission shall be made electronically if required by the Commission. The licensee, license applicant or registrant must submit a physical prototype upon request by the Commission.¶

(b) If a license applicant submits packages and labels for pre-approval, final determination for packages and labels will not be made until the applicant has been issued a license.¶

(2) Except as provided in sections (5) to (7) of this rule, the packaging and label applications must be accompanied by the following:¶

(a) A fee as specified in OAR 845-025-1060; and¶

(b) Information including but not limited to:¶

(A) Documentation that the package has been certified as child resistant as defined by 16 CFR 1700 by a qualified third party child-resistant package testing firm.¶

(B) A picture of and description of the item to be placed in the package.¶

(3) The Commission will evaluate the packaging and label in order to determine whether:¶

(a) The packaging:¶

(A) Has been certified as child resistant by a qualified third party child-resistant package testing firm;¶

(B) Is attractive to minors or is marketed in a manner attractive to minors;¶

(C) Contains untruthful or misleading content; and¶

(D) Will contain a marijuana item or industrial hemp commodity or product that is not compliant with ORS 475B, OAR 333, Divisions 7 and 8, or OAR 845, Division 25.¶

(b) The label: ¶

(A) Complies with the labeling rules, OAR 845-025-7000 to 845-025-7190, or any additional labeling requirements in ORS 475B, OAR 333, Divisions 7 and 8 or OAR 845, Division 25.¶

(B) Contains any material that is attractive to minors; and¶

(C) Contains untruthful or misleading content.¶

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

(5) If a licensee or registrant's label or package is deficient, it must correct the deficiencies and resubmit the label or package for pre-approval, but the licensee or registrant is not required to submit an additional fee unless the label or package is found deficient for a second time in which case the application will be denied and the licensee or registrant must resubmit the packaging or labeling in accordance with section (1) of this rule.¶

(6) A licensee, applicant or registrant may submit packaging and labeling for approval on the same application for a product that may have different flavors, colors or sizes, if the product and packaging is otherwise identical.

Applications for approval of packaging and labeling under this section are subject to a single application fee.¶

(7) 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) Net weight or volume; or¶
- (E) UID 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); ¶
 - (B) Website address, phone number, fax number, or place of address of the licensee or registrant; or¶
 - (C) Instructions for opening or using child-resistant packages¶
 - (d) The repositioning of any label information on the package, as long as the repositioning of label information is consistent with -these rules.¶
- (8) If a licensee wants to transfer a package or label approval from one licensee to another a licensee must submit a form prescribed by the Commission and pay the applicable fee as described in OAR 845-025-1060.¶
- (9) The Commission may publish a list of previously-approved, child-resistant, commercially available packaging. Packaging identified on this list as approved for certain product types does not need to be submitted for package approval if the packaging is identical to the previously-approved package.¶
- (9~~10~~) The Commission may publish a list of licensees and registrants who have approved label applications.:¶
- (10~~1~~) Labels for marijuana items or industrial hemp commodity or products do not require pre-approval if they are generic labels as defined in OAR 845-025-7000 and contain only the information required by -these rules and have no graphics, pictures or logos.¶
- (11~~2~~) Packages that are not intended to be child resistant do not require pre-approval. Any package that has not been certified as child-resistant must contain the statement described in OAR 845-025-7030(20).¶
- (12~~3~~) Notwithstanding any provisions of this rule, the Commission may permit or require electronic submission of labels and packaging for approval.

Statutory/Other Authority: ORS 475B.610, ORS 475B.620

Statutes/Other Implemented: ORS 475B.610, ORS 475B.620

AMEND: 845-025-7570

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-7570

Seed-To-Sale Tracking - Cultivation Batches ¶¶

(1) A producer must establish cultivation batches consisting of immature marijuana plants less than 24 inches tall that are not required to be individually tagged by these rules, seeds or tissue cultures ~~and~~ ¶¶

(2) A producer must assign each cultivation batch a unique identification number, user generated batch name and record the batch name in CTS. ¶¶

(3) Batch names must be physically affixed to the cultivation batch or the segregated area where the cultivation batch is physically located. ¶¶

~~(24)~~ A cultivation batch may not have more than 100 immature marijuana plants less than 24 inches tall. ¶¶

~~(35)~~ A producer may have an unlimited number of cultivation batches at any one time.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.070, 475B.150

AMEND: 845-025-7700

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-7700

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 Driver's License.¶
- (3) A licensee must:¶
 - (a) Keep marijuana items in transit shielded from public view;¶
 - (b) Use a vehicle for transport that is:¶
 - (A) Insured at or above the legal requirements in Oregon;¶
 - (B) Capable of securing (locking) the marijuana items during transportation;¶
 - (C) Equipped with an alarm system; and¶
 - (D) Capable of being temperature controlled if perishable marijuana items are being transported.¶
 - (c) Using CTS, generate a printed 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 contained in each transport, along with the UIDs for every item;¶
 - (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 must generate the manifest required by section (3)(c) of this rule at least 24 hours in advance of initiating transportation to a retail licensee if the marijuana items transported pursuant to the manifest exceed:¶
 - (a) 25 pounds of usable marijuana;¶
 - (b) One pound of cannabinoid concentrate or extract; or¶
 - (c) 1,000 units of sale of any individual cannabinoid product. ~~(5) A licensee may not void or change a transportation manifest after departing from the originating premises.¶~~
- (5) A licensee may not void or change a transportation manifest after departing from the originating premises.¶
- (6) All marijuana items must be packaged in shipping containers and labeled with a UID tag prior to transport.¶
- (7) 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.¶
- (8) A licensee must provide a copy of the printed transport manifest and any printed receipts for marijuana items delivered to law enforcement officers or other representatives of a government agency if requested to do so while in transit.¶
- (9) A licensee must contact the Commission immediately, or as soon as possible under the circumstances, if a vehicle transporting marijuana items is involved in any accident that involves product loss.¶
- (10) Upon receipt of inventory a receiving licensee must ensure that the marijuana items received are as described in the transport manifest and must record receipt of the inventory in CTS.¶

(11) 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 CTS and in any relevant business records.¶

(12) A licensee must provide temperature control for perishable marijuana items during transport.¶

(13) Any vehicle transporting marijuana items must travel directly from the shipping licensee to the receiving licensee and must not:¶

(a) Make any unnecessary stops in between except to other licensed premises receiving inventory;¶

(b) Remove the marijuana items from the vehicle until they arrive at their final destination. Licensees may not transfer marijuana items to, nor store marijuana items in a hotel or any other unlicensed premises; and¶

(c) Travel with any persons not listed on the manifest.¶

(14) A licensee must notify the Commission in advance of the location of every stop at an unlicensed location that exceeds two hours in duration.¶

(15) If the licensee's delivery vehicle is stopped at an unlicensed location the licensee must immediately make the vehicle and its contents available for inspection upon the Commission's request.¶

(16) A licensee may transport marijuana on behalf of other licensees if the transporting licensee holds a wholesale license.

Statutory/Other Authority: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.1405

Statutes/Other Implemented: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.1405

AMEND: 845-025-7750

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-7750

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 which may include but are 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. ¶¶

(c) ~~If the waste is generated~~ a producer generates the waste post-harvest or if an entire marijuana plant greater than 24 inches tall is designated as waste, ~~the waste must be held on the licensed premises for at least three business days prior to disposal.~~ ¶¶

(A) The waste must be held on the licensed premises for at least three business days under camera coverage prior to disposal. ¶¶

(B) The producer must document a reason for the waste in a form and manner prescribed by the Commission. ¶¶

(C) The producer must document the exact time and method of destruction in a form and manner proscribed by the Commission. ¶¶

(d) For waste that was previously designated a marijuana item, all licensees must: ¶¶

(A) Hold on the licensed premises for at least three business days under camera coverage prior to disposal; ¶¶

(B) Document a reason for the waste in a form and manner prescribed by the Commission; and ¶¶

(C) Document the exact time and method of destruction in a form and manner prescribed by the Commission. ¶¶

(2) A licensee may give or sell marijuana waste to a producer, processor or wholesale licensee or research certificate holder. Any such transaction must be entered into CTS pursuant to OAR 845-025-7500. ¶¶

(3) In addition to information required to be entered into CTS pursuant to OAR 845-025-7500, 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. ¶¶

(4) Waste items consisting of usable marijuana, concentrates, extracts or cannabinoid products must be disposed of on the licensed premises or transferred to another licensee for disposal. ¶¶

(5) Any product containing marijuana or hemp waste may not be transferred or sold to any licensee for consumption.

Statutory/Other Authority: ORS 475B.025, 475B.070, 475B.090, 475B.177

Statutes/Other Implemented: ORS 475B.070, 475B.090, 475B.100, 475B.15077

AMEND: 845-025-8520

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-8520

Prohibited Conduct ¶¶

(1) Sale to a Minor. A licensee or permittee may not sell, deliver, transfer or make available any marijuana item to a person under 21 years of age unless the individual holds a valid OMMP patient or caregiver card.¶¶

(a) Violation of this section for an intentional sale to a minor by a licensee, permittee or licensee representative is a Category II violation.¶¶

(b) Violation of this section for other than intentional sales is a Category II(b) violation.¶¶

(2) Identification. A licensee or licensee representative must require a person to produce identification as required by ORS 475B.170216 before selling or providing a marijuana item to that person. Violation of this section is a Category IV violation.¶¶

(3) Access to Premises.¶¶

(a) 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 ORS 475B 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 ORS 475B affecting the licensed privileges; or these rules is occurring; or¶¶

(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 ORS 475B affecting the licensed privileges; or these rules.¶¶

(b) Violation of this section is a Category II violation.¶¶

(c) A licensee must at all times retain control of, or the right of access to, all or any part of the licensed premises. Failure to retain such control or right of access is a Category I violation and is grounds for immediate suspension or cancellation of the license. Pursuant to ORS 475B.030, any marijuana on any premises to which the licensee has lost the right to control or access is subject to immediate seizure or other disposition by the Commission.¶¶

(4) 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, except for employees as permitted under OAR 845-025-1230(6)(b). 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 II 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.¶¶

- (B) "Intoxicants" means any substance that is known to have or does have intoxicating effects, and includes alcohol, marijuana, or any other controlled substances.-¶
- (5) Permitting Use of Marijuana at Licensed Premises. A licensee or permittee may not permit the use or consumption of marijuana, hemp items, or any other intoxicating substance, anywhere in or on the licensed premises, or in surrounding areas under the control of the licensee, except for employees as permitted under OAR 845-025-1230(6)(b). Violation of this section is a Category III violation.-¶
- (6) 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.-¶
- (7) 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 oneself or 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 required in ORS 475B.045.-¶
- (8) 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.-¶
- (9) 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 III violation.-¶
- (10) Additional Prohibitions. A licensee or permittee may not:-¶
- (a) Sell or deliver any marijuana item through a drive-up or walk-up window.-¶
- (b) Use any device or machine that both verifies the age of the consumer and delivers marijuana to the consumer; or-¶
- (c) Deliver marijuana to a consumer off the licensed premises, except that retail licensees may provide delivery as set forth in OAR 845-025-2880.-¶
- (d) Violation of this subsection is a Category III violation.-¶
- (e) Permit hemp item or product derived from industrial hemp that contains cannabinoids to be present on the licensed premises, except as allowed by these rules. Violation of this subsection is a Category I violation
- Statutory/Other Authority: ORS 475B.025, ORS 475B.070, 475B.090, 475B.100
 Statutes/Other Implemented: ORS 475B.070, 475B.090, 475B.100, 475B.105, 475B.227, 475B.329, 475B.333, 475B.119

ADOPT: 845-025-8575

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-8575

Restricting License Privileges and Conduct of Operations

(1) The Commission may issue a restricted license when a licensee or licensee representative:

(a) Has violated a provision of ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010 to 475B.545.

(b) Has made any false representations or statements to the commission in order to induce or prevent action by the commission.

(c) Is insolvent, incompetent or physically unable to carry on the management of the licensed premises.

(d) Is in the habit of using alcoholic liquor, habit-forming drugs, marijuana or controlled substances to excess.

(e) Has misrepresented to a customer or the public any marijuana items sold by the licensee or licensee representative.

(f) Since the issuance of the license, has been convicted of:

(A) A felony;

(B) Violating any of the marijuana laws of this state; or

(C) Any misdemeanor or violation of any municipal ordinance committed on the premises for which the license has been issued.

(2) A licensee will be notified in writing by the Commission if it intends to restrict the licensee's license and the licensee will be given the opportunity to appeal the proposed restriction in accordance with ORS Chapter 183; OAR chapter 137, division 3; and chapter 845, division 3.

(3) A licensee who has a restricted license may only exercise license privileges in compliance with the restrictions. Failure to comply with any restriction is a Category I violation.

(4) A restriction remains in effect until the Commission removes it. The licensee may ask the Commission to remove or modify a restriction. The written request must explain why the licensee believes the Commission should remove or modify the restriction. The Commission will notify the licensee, in writing, of its decision to approve or deny the request and the basis for its decision. If the Commission denies the request, the licensee has the right to a hearing under the procedures in ORS Chapter 183; OAR chapter 137, division 003; and chapter 845, division 003.

Statutory/Other Authority: ORS 475B.045 , ORS 475B.256

Statutes/Other Implemented: ORS 475B.256

AMEND: 845-025-8580

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-8580

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; 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~~ harvesting of usable marijuana, processing of marijuana or processing of marijuana items during the period of time that the license is under suspension, except as otherwise permitted by the Commission in the order of 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~~ in compliance with this rule.¶¶

(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.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.295, 475B.635

AMEND: 845-025-8590

RULE SUMMARY: Division 25 of Chapter 845 of the Oregon Administrative Rules sets forth the privileges, prohibitions for licensees and permittees of the Commission in regards to the recreational marijuana market. The revisions align Division 25 with the changes made by the 2018 Oregon legislature (SB 1544) and make technical adjustments in response to lessons learned.

CHANGES TO RULE:

845-025-8590

Suspension, Cancellation, Civil Penalties, Sanction Schedule ¶¶

(1) The Commission may suspend or revoke: ¶¶

(a) A license issued under ORS 475B.010 to 475B.395 or 475B.560. ¶¶

(b) A marijuana workers permit issued under ORS 475B.215. ¶¶

(c) A research certificate issued under ORS 475B.235. ¶¶

(d) An industrial hemp certificate issued under OAR 845-025-2700.¶¶

(2) Civil Penalties.¶¶

(a) The Commission may impose a civil penalty under ORS 475B.295. Civil penalties will be calculated by multiplying: ¶¶

(A) The number of days in a suspension, if suspension could be or is being imposed, by \$165 for licensees or certificate holders; or ¶¶

(B) The number of days in a suspension, if suspension could be or is being imposed, by \$25 for permittees. ¶¶

(b) The Commission may impose a civil penalty under ORS 475B.655 of no more than \$500 each day the violation occurs.¶¶

(3) The Commission uses the following violation categories for licensees licensed under ORS475B.010 to 475b.395: ¶¶

(a) Category I - Violations that make licensee ineligible for a license; ¶¶

(b) Category II - Violations that create a present threat to public health or safety; ¶¶

(c) Category II (b) - Violations for sales to a minor; ¶¶

(d) Category III - Violations that create a potential threat to public health or safety; ¶¶

(e) Category IV - Violations that create a climate conducive to abuses associated with the sale or manufacture of marijuana items; ¶¶

(f) Category V - Violations inconsistent with the orderly regulation of the sale or manufacture of marijuana items. ¶¶

(4) Violation sanctions. ¶¶

(a) The Commission may sanction a licensee or permittee in accordance with the guidelines set forth in Exhibit 1, incorporated by reference. Exhibit 1 also contains the categories for the most common violations. ¶¶

(b) Exhibit 1 lists the proposed sanctions for single or multiple violations that occur within a two year period for each category described in section (3) of this rule. The Commission may allege multiple violations in a single notice or may count violations alleged in notices issued within the previous two year period toward the total number of violations. In calculating the total number of violations, the Commission may consider a proposed violation for which the Commission has not yet issued a final order. ¶¶

(c) The proposed sanctions in Exhibit 1 are guidelines. If the Commission finds one or more mitigating or aggravating circumstances, it may assess a lesser or greater sanction, up to and including revocation. The Commission may decrease or increase a sanction to prevent inequity or to take account of particular circumstances in the case. ¶¶

(d) Mitigating circumstances include, but are not limited to: ¶¶

(A) Making a good faith effort to prevent a violation. ¶¶

(B) Extraordinary cooperation in the violation investigation demonstrating the licensee or permittee accepts responsibility. ¶¶

- (e) Aggravating circumstances include, but are not limited to: ¶
- (A) Receiving a prior warning about one or more compliance problems. ¶
 - (B) Repeated failure to comply with laws. ¶
 - (C) Failure to use age verification equipment purchased as an offset to a previous penalty. ¶
 - (D) Efforts by licensee or permittee to conceal a violation. ¶
 - (E) Intentionally committing a violation. ¶
 - (F) A violation involving more than one consumer or employee. ¶
 - (G) A violation involving a juvenile. ¶
 - (H) A violation resulting in injury or death. ¶
 - (I) A violation that occurred at a licensed premises that has been granted a security waiver. ¶
 - (J) Three or more violations within a two-year-period, regardless of the category, where the number of the proposed or final violations indicate a disregard for the law or failure to control the premises. ¶
- (5) A licensee may not avoid the sanction for a violation or the application of the provision for successive violations by changing the corporate structure for example, by adding or dropping a partner or converting to another form of legal entity when the individuals who own, operate, or control the business are substantially similar. ¶
- (6) If the Commission adopts a final order finding that a licensee allowed an unapproved interest, the person or the entity who holds that interest shall be considered to have a poor record of compliance due to the unapproved interest and for any violations that occurred while they held the interest.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.256, 475B.416, 475B.560, 475B.635, 475B.119

RULE ATTACHMENTS DO NOT SHOW CHANGES. PLEASE CONTACT AGENCY REGARDING CHANGES.

Exhibit 1, OAR 845-025-8590
Oregon Liquor Control Commission - Recreational Marijuana Sanctions

Category	1 Violation in a 2-year period	2 Violations in a 2-year period	3 Violations in a 2-year period	4 Violations in a 2-year period	5 Violations in a 2-year period	6 Violations in a 2-year period
I	Revoke					
II	30 days	Revoke				
II(b)	30 days or \$4950	30 days	Revoke			
III	10 days or \$1650	30 days or \$4950	30 days	Revoke		
IV	7 days or \$1155	10 days or \$1650	20 days or \$3300	30 days	Revoke	
V	3 days or \$495	7 days or \$1155	10 days or \$1650	20 days or \$3300	30 days	Revoke

Categories for Most Common Violations

Category	Violation
I	Failure to verify the age of a minor (intentional)
	Conviction of a felony (licensee)
	Operating other than the license permits
	Intentional false statement to the Commission
	Intentional destruction or concealment of evidence
	Intentional failure to pay taxes to Department of Revenue
	Permitted noisy, disorderly or unlawful activity that results in death or serious physical injury, or that involves unlawful use or attempted use of a deadly weapon against another person, or that results in a sexual offense which is a Class A felony, such as first degree rape, sodomy, or unlawful sexual penetration
	Failure to notify prior to complete change of ownership/allowed interest in licensed business without prior Commission approval
	Operated licensed business while suspended

Exhibit 1, OAR 845-025-8590
Oregon Liquor Control Commission - Recreational Marijuana Sanctions

Category	Violation
II	False statement or representation to Commission (other than intentional)
	Under the influence of intoxicants while on duty
	Failure to promptly admit regulatory specialist or law enforcement into licensed retail premises
	Destruction or concealment of evidence (other than intentional)
	Denial of access by law enforcement or regulatory specialist to the licensed premises during regular business hours
	Permitted noisy, disorderly or unlawful activity that involves use of a dangerous weapon against another person with intent to cause death or serious physical injury
	Failure to promptly admit regulatory specialist or law enforcement onto the licensed premises when premises appear closed (for producer, processor, wholesale or lab licensees, and research certificate holders)
	Failure to permit premises or records inspection

Category	Violation
II(b)	Sale to a minor (unintentional)

Exhibit 1, OAR 845-025-8590
Oregon Liquor Control Commission - Recreational Marijuana Sanctions

Category	Violation
III	Permitted minor to enter or remain in a prohibited area
	Conviction of a crime other than a felony (licensee)
	Permitted sales by an employee without a marijuana worker permit
	Sold or made recreational marijuana available to a visibly intoxicated person
	Consumption of marijuana, alcohol or other intoxicants while on duty
	Permitted consumption (by employees, customers or the public) of alcohol, marijuana or other intoxicants on the licensed premises or in areas adjacent to the licensed premises under licensee's control (such as parking lots)
	Failure to keep required records (other than as required in 845-025-7500, seed-to-sale tracking requirements)
	Failure to follow an approved security plan
	Permitted disorderly activity
	Permitted unlawful (under state law) activity
	Failure to complete manifest before transport
	Failure to pay taxes to the Department of Revenue

Category	Violation
IV	Operated the licensed business after lawful hours for sale of marijuana items (retail licensees)
	Removed, altered or covered license suspension or other required notice sign
	Advertising violations

Category	Violation
V	Permitted marijuana items to be given as a prize (retail licensees)
	Failure to notify the Commission of a temporary closure of the licensed business (all licenses and certificates)