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**NOTICE OF PROPOSED RULEMAKING**  
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 845  
OREGON LIQUOR CONTROL COMMISSION

**FILED**

10/30/2019 1:04 PM  
ARCHIVES DIVISION  
SECRETARY OF STATE

FILING CAPTION: The rules make legislative and technical changes to Division 25 of Chapter 845.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 12/01/2019 11:55 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.*

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Portland, OR 97222

Filed By:  
Emily Febles  
Rules Coordinator

HEARING(S)

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

DATE: 11/15/2019

TIME: 9:00 AM - 11:00 AM

OFFICER: Emily Febles

ADDRESS: OLCC

9079 SE McLoughlin Blvd

Portland, OR 97222

SPECIAL INSTRUCTIONS:

The Public Hearing will close at 9:20

AM if no one has signed-in to offer  
comment by that time.

NEED FOR THE RULE(S):

The 2019 legislature made several changes to Division 25 of Chapter 845 which constitute Oregon's recreational marijuana provisions. These rules implement those changes. Additionally, during the operation and management of the marijuana program, staff identified areas that needed amendments to make language more clear and concise and to ensure continued viable operation of the regulated marijuana program. Senate Bill 218 created a pause in marijuana production licenses. House Bill 2098 added a definitions for "kief" and changed the definition for "prescription drug," added new requirements for worker permits, and added new forms of qualifying identification.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

Senate Bill 218 (available on the Oregon State Legislature's webpage.)

House Bill 2098 (available on the Oregon State Legislature's webpage.)

2019 Division 25 Bill and Technical Rulemaking file (available upon request from the OLCC.)

FISCAL AND ECONOMIC IMPACT:

This statement takes into account the fiscal impact on: (a) Local Government; (b) State Agencies; (c) the Public; and (d) Marijuana Licensees, Permittees and Certificate Holders; and (e) Marijuana Laboratories

(a) Local Government. The Commission anticipates that local governments that choose to engage in allowing and licensing recreational marijuana businesses will have both a positive and negative fiscal impact.

(b) State Agencies. 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 licensing fees and taxes will offset the costs of regulation, as the market continues to evolve.

(c) The Public. The Commission anticipates a positive fiscal impact on the public from the proposed amendments to the extent that the proposed amendments will allow marijuana retail businesses new strategies in storing and safeguarding marijuana items in stores. The Commission anticipates a cost decrease in staff time for these businesses which could translate to a cost decrease for consumers. Further, changes to packaging and labeling rules will increase clarity for members of the public who purchase marijuana items. The Commission anticipates timeline requirements for processing and completing marijuana license applications will reduce time spent awaiting licensing action by the Commission. This will positively impact members of the public who are pending applicants, by reducing time to licensing determinations and need to hold property under lease or other means between the time of application and the time of licensing determinations. The Commission forecasts that the public should continue to benefit from the regulation and taxation of marijuana. However, regulation and enforcement will incur costs.

(d) Marijuana Licensees, Permittees and Certificate Holders. The Commission anticipates a positive fiscal impact on Marijuana Licensees, Permittees and Certificate Holders eligible for a Micro Tier LUCS exemption because it will reduce the financial burden of going through the local jurisdiction's process to obtain a LUCS. Certain Marijuana Licensees, Permittees and Certificate Holders will now be able to produce kief which allows such producers an additional product they can bring to market. Marijuana Retailer licensees of the Commission may see reduced staffing costs due to reduced requirements on the physical movement of inventory on the licensed premises and flexibility of storage methods.

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

#### (2) Small Businesses

(a) As of October 25, 2019, the Commission has 3,977 licenses of the five recreational marijuana license types (producer, processor, wholesaler, laboratory, and retailer) and 48 hemp certificate holders (growers and handlers). In addition, 602 medical marijuana sites (grow sites with 3 or more patients, processing sites, and dispensaries) are subject to CTS tracking rules. The Commission estimates that 85% of these would qualify as small businesses.

(b) Small business subject to CTS tracking will have a positive impact on recording keeping and associated administrative costs under the proposed rules. The rules were changed from "close of business" to 8AM the next day to allow more time for staff to reconcile marijuana items in the CTS tracking system. In order to comply with ORS 475B

and subsequent legislation passed by the 2019 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. This has included a statewide roadshow, 3 rules advisory committees, and a Public Hearing set for November 15th.

(c) The proposed rules allow new strategies for retailers to storage and safeguard marijuana items which will lead to a reduction in staff time and labor costs. Further, the proposed rules on transportation will allow retailers that transport marijuana items to save on gas, mileage and lodging.

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

The Commission held three Rules Advisory Committees to assist in development of these proposed changes. Small business representatives were included on all three RACs.

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WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

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RULES PROPOSED:

845-025-1015, 845-025-1030, 845-025-1045, 845-025-1060, 845-025-1090, 845-025-1115, 845-025-1131, 845-025-1132, 845-025-1135, 845-025-1145, 845-025-1160, 845-025-1230, 845-025-1300, 845-025-1330, 845-025-1360, 845-025-1410, 845-025-1430, 845-025-1440, 845-025-1450, 845-025-2020, 845-025-2025, 845-025-2040, 845-025-2045, 845-025-2080, 845-025-2120, 845-025-2140, 845-025-2500, 845-025-2550, 845-025-2560, 845-025-2750, 845-025-2755, 845-025-2760, 845-025-2785, 845-025-2800, 845-025-2900, 845-025-3210, 845-025-3215, 845-025-3305, 845-025-3500, 845-025-5045, 845-025-5075, 845-025-5520, 845-025-5540, 845-025-5590, 845-025-7000, 845-025-7030, 845-025-7170, 845-025-7520, 845-025-7570, 845-025-7580, 845-025-7700, 845-025-8520, 845-025-8590

AMEND: 845-025-1015

RULE SUMMARY: These rules provide definitions for the division.

CHANGES TO RULE:

845-025-1015

Definitions ¶¶

For the purposes of OAR 845-025-1000 to 845-025-87590, unless otherwise specified, the following definitions apply:¶¶

(1) "Added 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) "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 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.¶

(3) "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.¶

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

(5) "Business day" means Monday through Friday excluding legal holidays.¶

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

(7) "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.¶

(8) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or flowers have been incorporated.¶

(9) "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.¶

(10) Cannabinoid Product-¶

(a) Means: a cannabinoid edible and any other product intended for human consumption or use, including a product intended to be applied to the skin or hair, that contains cannabinoids or dried marijuana leaves or flowers;¶

(b) Includes:¶

(A) Usable marijuana, cannabinoid extracts and cannabinoid concentrates that have been combined with an added substance; or¶

(B) Any combination of usable marijuana, cannabinoid extracts and cannabinoid concentrates.¶

(c) 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.¶

(11) "Cannabinoid tincture" means a liquid cannabinoid product packaged in a container of 4 fluid ounces or less

that consists of either:¶

(a) A non-potable solution consisting of 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 other ingredients that does not contain any added sweeteners and is intended for human consumption or ingestion.¶

(12) "Cannabis Tracking System" or "CTS" means the system for tracking the transfer of marijuana items and other information as authorized by ORS 475B.177.¶

(13) "Commission-certified Hemp Grower" means a hemp grower certified by the Commission under OAR 845-025-2700 to deliver industrial hemp to processors or wholesalers.¶

(14) "Commission- certified Hemp Handler" means a hemp handler certified by the Commission under OAR 845-025-2705 to deliver industrial hemp or hemp items to processors, wholesalers, or retailers.¶

(15) "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.¶

(16) "Common Ownership"¶

(a) 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.¶

(b) Does not mean 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.¶

(17) "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.¶

(18) "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.¶

(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.¶

(19) "Contractor" means a person, other than a licensee representative, who temporarily visits the licensed premises to perform a service, maintenance or repair.¶

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

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

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

(23) "CTS Administrator" means a CTS user who may add, edit or disable access for other CTS users.¶

(24) "CTS User" means an individual with online access to CTS.¶

(25) "Date of Harvest" means the day the last mature marijuana plant in the harvest lot was harvested.¶

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

(257) "Elementary school"¶

(a) Means a learning institution containing any combination of grades kindergarten through 8.¶

(b) Does not mean a learning institution that includes only pre-kindergarten, kindergarten, or a combination of

pre-kindergarten and kindergarten.

(28) (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.301.

(269) "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 share the same regular and permanent address and would be financially effected by the success or failure of the business as well as adults who qualify for a "domestic partnership" as defined under ORS 106.310.

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

(2730) "Flowering" means a marijuana plant that has formed a mass of pistils measuring greater than two centimeters wide at its widest point.

(2831) "Grow site" means a specific location registered by the Authority and used by the grower to produce marijuana for medical use by a specific patient under ORS 475B.810.

(329)(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.

(303) "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.

(314) "Harvested industrial hemp"-

(a) Means industrial hemp that has been harvested, including:

(A) Industrial hemp that has not been processed in any form; and

(B) Industrial hemp that has been minimally processed, for purposes of transfer or storage including chopping, separating, or drying.-

(b) Does not mean:

(A) Usable hemp as defined in OAR 603-048-2310;

(B) An industrial hemp commodity or product as defined in OAR 603-048-0010;

(C) Living industrial hemp plants; or

(D) Industrial hemp seed:

(i) That is part of a crop, as that term is defined in ORS 571.300;

(ii) That is retained by a hemp grower for future planting;

(iii) That is agricultural hemp seed;

(iv) That is for processing into or for use as agricultural hemp seed; or

(v) That has been processed in a manner or to an extent that the Cannabis seed is incapable of germination.

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

(336) "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.¶

(347) "Hemp item"¶

(a) Means:¶

(A) Usable hemp as defined in OAR 603-048-2310;¶

(B) Hemp stalk as defined in OAR 603-048-2310;¶

(C) A cannabinoid product as defined in OAR 603-048-2310; or¶

(D) A hemp concentrate or extract as defined in OAR 603-048-2310.¶

(b) Does not mean:¶

(A) Industrial hemp processed through retting or other processing such that it is suitable fiber for textiles, rope, paper, hempcrete, or other building or fiber materials;¶

(B) Industrial hemp seed processed such that it is incapable of germination and processed such that is suitable for human consumption; or¶

(C) Industrial hemp seed pressed or otherwise processed into oil.¶

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

(368) "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 or human use.¶

(379) "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.¶

~~(3840) "Inventory Tracking" means all of the activities and documentation processes required by these rules to track marijuana and to track marijuana items from seed to sale and establish an accurate chain of custody from one marijuana items from seed to sale to another in the cannabis tracking system.¶~~

(3941) "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, as that term is defined in ORS 571.300;¶

(B) That is retained by a hemp grower for future planting;¶

(C) That is agricultural hemp seed;¶

(D) That is for processing 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 germination.¶

(c) Does not mean industrial hemp commodities or products or marijuana.¶

(402) "Invited guests" means family member and business associates of the licensee, not members of the general public.¶

(413) "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.¶

(424) "Laboratory licensee" means a laboratory licensed under ORS 475B.560 and includes each applicant listed on an application that the Commission has approved and each individual who the Commission has added to the license.¶

(435) "Licensee" means any person who holds a license issued under ORS 475B.070, 475B.090, 475B.100, or 475B.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.¶

(446) "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.¶

(457) "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 esent, but does not include a

consumer sales area on a licensed retailer premises.¶

(468) "Limit of quantification" or "LOQ" means the minimum levels, concentrations, or quantities of a target variable, for example, an analyte that can be reported by a laboratory with a specified degree of confidence.¶

(49) "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¶

(A) industrial hemp, as defined in ORS 571.300.¶

(47B) prescription drugs, as that term is defined in ORS 689.005, including those containing one or more cannabinoids, that are approved by the United State Food and Drug Administration and dispensed by a pharmacy, as defined in ORS 689.005.¶

(50) "Marijuana flowers" means the flowers of the plant genus Cannabis within the plant family Cannabaceae.¶

(4851) "Marijuana items" means marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts.¶

(4952) "Marijuana leaves" means the leaves of the plant genus Cannabis within the plant family Cannabaceae.¶

(503) "Marijuana processor" means a person who processes marijuana items in this state.¶

(514) "Marijuana producer" means a person who produces marijuana in this state.¶

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

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

(547) "Mature marijuana plant" means a marijuana plant that is not an immature marijuana plant.¶

(558) "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.797.¶

(569) "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.¶

(5760) "Minor" means any person under 21 years of age.¶

(5861) "Non-Toxic" means not causing illness, disability or death to persons who are exposed.¶

(5962) "Non-profit Dispensary" means a medical marijuana dispensary registered under ORS 475B.858, 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.¶

(603) "ORELAP" means the Oregon Environmental Laboratory Accreditation Program administered by the Authority pursuant to ORS 438.605 to 438.620.¶

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

(625) "Permittee" means any person who holds a Marijuana Workers Permit.¶

(636) "Person" has the meaning given that term in ORS 174.100.¶

(647) "Person responsible for a marijuana grow site" or "PRMG" has the meaning given that term in OAR 333-008-0010.¶

(658) "Points of ingress and egress"¶

(a) Means any point that may be reasonably used by a person to enter into an area and includes but is not limited to doors, gates, windows, crawlspace access points, and openings whether or not those points are secured by a locked door, window, or means capable of being unlocked or unsealed by a person with a key, code, or other method intended to allow access¶

(b) Does not mean a point of entry that has been fully sealed by a mechanism that could not be forcibly removed by the average person without means of mechanical assistance, such as security bars, apparatus, walls, or other permanent mechanisms not capable of being removed or opened by a designated key, code, tool, or other similar means.¶

(69) "Premises" or "licensed premises" includes the following areas of a location licensed under section ORS

475B.070, 475B.090, 475B.100, or 475B.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.¶

(6670) "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.¶

(671) "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.¶

(6872) "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.¶

(6973) "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.¶

(704) "Producer" means a marijuana producer licensed by the Commission.¶

(715) "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.¶

(726) "Propagate" means to grow immature marijuana plants or to breed or produce seeds.¶

(737) "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.¶

(748) "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.545, 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.¶

(759) "Registry identification cardholder" has the meaning given that term in ORS 475B.791.¶

(7680) "Retailer" means a marijuana retailer licensed by the Commission.¶

(7781) "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.¶¶

(782) "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.¶¶

(7983) "Secondary school" means a learning institution containing any combination of grades 9 through 12 and includes junior high schools that have 9th grade.¶¶

(84) "Security plan" means a plan as described 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.¶¶

(805) "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.¶¶

(816) "These rules" means OAR 845-025-1000 to 845-025-8750.¶¶

(827) "Tissue culture plantlet" or "plantlet" means plant cells or tissues introduced into a culture from nodal cutting and cultivated under sterile conditions. A tissue culture plantlet from a marijuana plant is an immature marijuana plant.¶¶

(88) 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 designa and affix" means to designate a UID number to a marijuana item in CTS and to also physically attached the corresponding UID tag to a marijuana plant or the 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.¶¶

(839)(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.¶¶

(8490) "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.¶¶

(8591) "Wholesaler" means a marijuana wholesaler licensed by the Commission.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.015, 475B.025

AMEND: 845-025-1030

RULE SUMMARY: These rules describe the application process.

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;¶¶
  - (f) Principal Officers of corporate applicants; and¶¶
  - (g) 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.¶

(E) If the applicant is not the owner of the premises proposed to be licensed, the applicant must submit signed consent from the owner of the premises, in a form and manner prescribed by the Commission, showing that the production of marijuana is permitted on the premises.¶

(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, ORS 475B.040

Statutes/Other Implemented: ORS 475B.040, 475B.045, 475B.060, 475B.070, 475B.090, 475B.100, 475B.105, 475B.560

AMEND: 845-025-1045

RULE SUMMARY: This rule describes business interests, ownership interests, and license privileges.

CHANGES TO RULE:

845-025-1045

True Name on Application; Interest in Business ¶

(1) True name on application. An application for a license must specify the real and true names of all individuals and legal entities that have an ownership interest in the business proposed to be licensed by identifying all such persons and legal entities as applicants.¶

(2) License privileges. License privileges are available only to the applicants identified in the application and their authorized representatives and only for the premises designated on the license.¶

(3) Ownership interest. The Commission may refuse to issue a license if the applicant is not the owner of the business proposed to be licensed, a person with an ownership interest is not identified as an applicant, or an undisclosed or unapproved ownership interest exists. For purposes of this rule, an "ownership interest" is indicated by the following behaviors, benefits or obligations:¶

(a) Any person or legal entity, other than an employee acting under the direction of the owner, that exercises control over, or is entitled to exercise control over, the business;¶

(b) Any person or legal entity, other than an employee acting under the direction of the owner, that incurs, or is entitled to incur, debt or similar obligations on behalf of the business;¶

(c) Any person or legal entity, other than an employee acting under the direction of the owner, that enters into, or is entitled to enter into, a contract or similar obligations on behalf of the business; or¶

(d) Any person or legal entity identified as the lessee of the premises proposed to be licensed.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.045, 475B.070, 475B.090, 475B.100, 475B.110, 475B.560, 475B.564, 475B.191, & 2016 OL Ch. 24

AMEND: 845-025-1060

RULE SUMMARY: These rules describe fees as part of the application process.

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 \$1,000 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), (3) and (4) 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. If a licensee who submitted a license renewal application in accordance with OAR 845-025-1190(1)(a) or (b) exercises any license privileges after the date the license expires, the renewal fee will not be refunded.¶¶

(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: \$1,000 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 per application.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.105, 475B.266, 475B.560, 475B.610, 475B.620, 2018 OL Ch. 116 Sec. 14, ORS 571.336

AMEND: 845-025-1090

RULE SUMMARY: These rules describe the review process for applications.

CHANGES TO RULE:

845-025-1090

#### Application Review ¶

(1) Once the Commission has determined that an application is complete it must review the application to determine compliance with ORS Chapter 475B and these rules.¶

(2) The Commission:¶

(a) Must, prior to acting on an application for a new license, a change to a larger producer canopy designation, a change to producer cultivation method designation or change in processor endorsement type, receive a land use compatibility statement from the city or county that authorizes land use in the city or county in which the applicant's proposed premises is located.¶

(b) May, in its discretion, prior to acting on an application:¶

(A) Contact any applicant or individual with a financial interest and request additional documentation or information; and¶

(B) Verify any information submitted by the applicant.¶

(3) The requirements of section (2)(a) of this rule do not apply to applicants for a producer license if the applicant demonstrates in a form and manner specified by the Commission that:¶

(a) The applicant is applying for a license at an address where a marijuana grow site registered under ORS 475B.420 is located;¶

(b) The address is outside of city limits;¶

(c) At least one person responsible for a marijuana grow site located at the address first registered with the Authority under ORS 475B.420 before January 1, 2015;¶

~~(d) Each person responsible for a marijuana grow site located at the address first registered with the Authority under ORS 475B.420 before February 1, 2016; and that person is registered with the authority under ORS 475B.810 on the date on which the applicant submitted the application for a license under ORS 475B.070;¶~~

(d) Each person responsible for a marijuana grow site located at the address first registered with the Authority under ORS 475B.420 before February 1, 2016 and that person is registered with the authority under ORS 475B.810 on the date on which the applicant submitted the application for a license under ORS 475B.070; and¶

(e) The applicant is applying for a mature marijuana plant grow canopy of:¶

(A) 5,000 square feet or less, if the marijuana is produced outdoors; or¶

(B) 1,250 square feet or less, if the marijuana is produced indoors.¶

(f) For purposes of this section, an applicant for a license under ORS 475B.070 is not required to demonstrate that:¶

(A) At least one person responsible for a marijuana grow site located at the address for which the applicant is applying for a license has been continuously registered with the authority under ORS 475B.810 between January 1, 2015, and the date on which the applicant applies for a license under ORS 475B.070; or¶

(B) Each person responsible for a marijuana grow site located at the address for which the applicant is applying for a license has been continuously registered with the authority under ORS 475B.810 between February 1, 2016, and the date on which the applicant applies for a license under ORS 475B.070.¶

(4) The Commission must inspect the proposed premises prior to issuing a license.¶

(5) If during an inspection the Commission determines the applicant is not in compliance with these rules, the applicant will be provided with a notice of the failed inspection and the requirements that have not been met.¶

(a) An applicant that fails an inspection will have 30 calendar days from the date the notice was sent to submit a written response that demonstrates the deficiencies have been corrected.¶

(b) An applicant may request in writing one extension of the 30-day time limit in subsection (a) of this section, not to exceed 45 days.¶

(6) If an applicant does not submit a timely plan of correction or if the plan of correction does not correct the deficiencies in a manner that would bring the applicant into compliance, the Commission may deny the application.-¶

(7) If the plan of correction appears, on its face, to correct the deficiencies, the Commission will schedule another inspection.-¶

(8) If an applicant fails a second inspection, the Commission may deny the application unless the applicant shows good cause for the Commission to perform additional inspections.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.045, 475B.285, 475B.063 & 2016 OL Ch. 23

AMEND: 845-025-1115

RULE SUMMARY: These rules describe when the Commission will deny an initial or renewal application.

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 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.968.¶

(2) The Commission may deny an initial or renewal application, unless the applicant shows good cause to overcome the denial criteria, if the Commission 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.545, 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.333;¶

(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.486, 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 that is pending on or after January 1, 2019 within the time period prescribed by the Commission.¶
- (J) Has been found to have an unapproved interest in a license issued by the Commission, as established in a final order of 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). The Commission may consider factors set forth in subsection (8) of this rule to determine if this refusal basis is supported or overcome.¶
- (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) The proposed licensed premises of the producer applicant is on the same tax lot as another producer licensee and the presence of multiple producers on the same tax lot creates a risk of non-compliance with any of these rules.¶
- (h) The applicant is a business entity that is required to be registered with the Oregon Secretary of State but has failed to register.¶
- (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.¶
- (8) Factors that may support or overcome license denial pursuant to subsection (2)(b). These factors may have occurred before or after the incident or incidents that are relevant to the specific criterion. The factors may be

weighed in favor of the applicant, weighed against the applicant, or weighed neither for nor against the applicant.

(a) Definitions. For this subsection:

(A) "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.

(B) "Compliance risk factors" means factors that show the individual's tendency to disobey laws, rules, and regulations; including but not limited to probation and parole violations, non-relevant convictions, and administrative violations.

(C) "Relevant conviction" means a conviction, other than those listed in ORS 475B.045(3), 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.

(D) "Successful treatment" means:

(i) The Commission receives written confirmation from the individual's licensed treatment 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

(ii) 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 treatment provider that 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.

(b) Upon the Commission's determination that a basis to refuse the application has been established under this criterion, the Commission may consider the following factors and may consider other factors, depending on the facts of the case:

(A) Passage of time, whichever date is later:

(i) Since the date of the most recent incident that led to a relevant conviction, but not counting time spent incarcerated or other factors the Commission determines affect the passage of time; or

(ii) Since the date of the most recent compliance risk factor, but not counting time spent incarcerated or other factors the Commission determines affect the passage of time.

(B) Compliance risk factors.

(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.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.040, 475B.045, 475B.063, 475B.070, 475B.090, 475B.100, 475B.105, 475B.560, 475B.968

ADOPT: 845-025-1131

RULE SUMMARY: These rules describe producer application deadlines and when these applications will be inactivated.

CHANGES TO RULE:

845-025-1131

Producer Application Submission Deadlines

(1) All producer applications submitted on or before June 15, 2018 through the Commission's online licensing system with the non-refundable application fee will be held until the application is assigned to a Commission staff member.¶

(2) Producer applications will only be processed after the application is assigned to a Commission staff member.¶

(3) Producer applications submitted after June 15, 2018 will be inactivated.

Statutory/Other Authority: ORS 475B.025, 2019 SB 218

Statutes/Other Implemented: ORS 475B.070

RULE SUMMARY: These rules describe processing deadlines for the application process.

CHANGES TO RULE:

845-025-1132

Application Processing Deadlines

(1) For the purposes of this rule, "complete the application process" means an applicant has submitted all fees, forms, documents and information required under OAR 845-025-1030 that are necessary to act on an application and the applicant is ready for a pre-licensing inspection as required in OAR 845-025-1090(4). Completing the application process does not include timeframes described in OAR 845-025-1090(5) to correct deficiencies discovered during a pre-licensing inspection.¶

(2) Assigned Applications¶

(a) An applicant that had an application assigned to a Commission staff member prior to January 1, 2020 must comply with any and all deadlines for completing the application process that the Commission previously provided to the applicant in writing.¶

(b) An applicant that has an application assigned to a Commission staff member on or after January 1, 2020 must complete the application process within 60 calendar days of the Commission notifying the applicant that the application has been assigned.¶

(c) If the applicant does not complete the application process within 60 calendar days, the application will be unassigned and placed on hold as described in subsection (4)(b) of this rule.¶

(d) If the Commission discovers a potential basis to deny the license that requires further investigation, the applicant is not subject to the deadline described in (3)(b) above. The Commission will communicate any new deadlines to the applicant in writing.¶

(3) Applications on Hold¶

(a) Applications placed on hold prior to January 1, 2020¶

(A) Before an application that was previously placed on hold is assigned to a Commission staff member, applicants must provide to the Commission all requested documents and information by the deadline previously communicated in writing by the Commission.¶

(B) If the applicant provides all requested documents and information by its deadline previously communicated by the Commission, the application will be assigned and the applicant must complete the application process within 60 calendar days of being placed in that status.¶

(C) If the applicant does not provide all requested documents and information by the deadline communicated by the Commission, the application is incomplete as described in subsection (6) of this rule.¶

(b) Applications placed on hold on or after January 1, 2020.¶

(A) If an applicant is unable to complete the application process in the initial 60 calendar days after the application is assigned as described in subsection 3(b) of this rule, the application will be unassigned and placed on hold.¶

(B) Applications placed on hold will not be processed until the application is reassigned to a Commission staff member.¶

(C) Once the Commission has reassigned the application to a Commission staff member, the applicant must complete the application process within a final 60-calendar-day period. If the applicant does not complete the application process within 60 calendar days, the application is incomplete as described in subsection (6) of this rule.¶

(4) Approved Applications. An applicant whose application has been approved by the Commission will have 30 calendar days after the application is approved to complete payment of the license fee described in OAR 845-025-1060. If payment is not received within 30 calendar days of application approval, the application is incomplete as described in subsection (6) of this rule.¶

(5) Incomplete Applications. The Commission will inactivate an incomplete application by placing the application into a withdrawn status in its licensing system. ¶

(a) An applicant will be notified in writing as described in subsection (8) of this rule that its application is

incomplete and has been inactivated by the Commission.¶

(b) 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 10 calendar days of the date the incomplete notice was sent or transmitted pursuant to subsection (8) of this rule. The Commission may give the applicant the opportunity to be heard if an application is inactivated. A hearing under this subsection is not subject to the requirements for contested case proceedings under ORS 183.310 to 183.550.¶

(6) The Commission may place an assigned application on hold to balance staff resources. When this occurs, the Commission will notify the applicant of the status change in writing and will provide the application with a new deadline for completion of the application. ¶

(7) The Commission will communicate deadlines and changes in application status under this rule by e-mail to the contact e-mail identified on the application, unless an applicant makes a written request that any deadline communications be sent by regular mail. Upon such a request, the Commission will mail communications to an applicant's mailing address identified on the application.

Statutory/Other Authority: ORS 475B.025, 2019 SB 218

Statutes/Other Implemented: ORS 475B.070

ADOPT: 845-025-1135

RULE SUMMARY: These rules describe prohibited changes to producer license applications, including change of ownership.

CHANGES TO RULE:

845-025-1135

Prohibited Changes to Producer License Applications

(1) The Commission will not allow changes in ownership of an application after submission of an application for licensure. ¶

(2) For purposes of this rule, "change of ownership" is defined as a change of 51% or greater in the applicants identified on the application submitted to the Commission or one or more changes that cumulatively results in a change of ownership that is 51% or greater from the date the application was first submitted. ¶

(3) The Commission will not allow an applicant to change the location of a proposed licensed premises after submission of an application for licensure. ¶

(4) The Commission will not allow an applicant to change the license type of the application after submission of an application for licensure.

Statutory/Other Authority: ORS 475B.025, 2019 OL Chapter 419

Statutes/Other Implemented: ORS 475B.070

AMEND: 845-025-1145

RULE SUMMARY: These rules describe communication methods with the Commission.

CHANGES TO RULE:

845-025-1145

Communication With Commission ¶¶

(1) If an applicant or licensee is required to or elects to submit anything in writing to the Commission, unless otherwise prescribed by the Commission, the applicant or licensee may submit the writing to the Commission via:¶¶

(a) Mail;¶¶

(b) In-person delivery;¶¶

(c) Facsimile; or¶¶

(d) E-mail.¶¶

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

(3) Except for notices sent in accordance with ORS Chapter 183, the Commission sends all written correspondence to the email address that an applicant, licensee, laboratory licensee gave the Commission on its application. The Commission is not obligated to send correspondence to any other or additional email address provided.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.025

AMEND: 845-025-1160

RULE SUMMARY: These rules describe when an applicant or licensee must notify the Commission.

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, a citation~~ 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 form prescribed by the Commission; and¶¶

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

(b) 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.¶¶

(c) 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.¶¶

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

(A) Has a change in ownership that is 51% or greater; or¶¶

(B) Has more than one change of business structure within a year from the date the license was first issued or renewed that cumulatively results in a change 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) If a licensee loses access to the licensed premises, the Commission may allow the licensee to change location if:¶¶

(A) The licensee submits written notice, in a form and manner prescribed by the Commission, at least 15 days in advance of losing access;¶¶

(B) The licensee removes all marijuana items from the licensed premises in compliance with ORS Chapter 475B

and these rules prior to losing access;¶¶

(C) The licensee is not under investigation for suspected violations of any provision of ORS Chapter 475B or these rules and does not have pending administrative violations; and¶¶

(D) The licensee or supplies documentation showing legal access to and a Land Use Compatibility Statement for a new location within 30 days of losing access to the licensed premises.¶¶

(c) Failure to comply with this subsection may result in suspension or revocation of the licensee as described in OAR 845-025-8520(3)(c).¶¶

(d) 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: 845-025-1230

RULE SUMMARY: These rules describe premises restrictions and requirements.

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.810;¶¶

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

(C) Medical marijuana dispensary registered under ORS 475B.858; 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) 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. A processor or wholesaler licensee may be exempt from this requirement if the processor or wholesaler licensee can show in its security plan how the licensee 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.797 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 designated 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 and permitted visitors ~~representatives~~ who perform work on the licensed premises, except for Commission employees and other state or local government officials acting in

~~an official capacity who have jurisdiction over some aspect of the licensed premises.~~

~~(a) A licensee must record the name and or operation.~~

~~(a) In CTS, a licensee must record the following information for each current employee and licensee representative:~~

~~(A) For an employee or licensee required to have a marijuana worker permit, the permit number of every current and name of the individual as they appear on the marijuana worker permit.~~

~~(B) For an employee and/or licensee representative in CTS not required to have a marijuana worker permit, the name and date of the individual as this information is displayed on valid government-issued ID.~~

(b) All employees 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 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~~  
~~daily log, a licensee must record the name and date of birth for as that individual in CTS.~~

~~(e) A licensee must record the name and date of birth information is displayed on valid government-issued ID 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.~~

~~(e) A licensee must maintain a copy of the daily log required by this rule for a period of at least 90 days.~~

(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. When Commission employees identify themselves, the employees will present Commission-issued identification while in performance of their job duties, but shall not be required to provide a date of birth or any form of identification listed ORS 475B.216.

(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.105, ORS 475B.025

Statutes/Other Implemented: ORS 475B.090, 475B.100, 475B.105, 475B.260, 475B.005, 475B.224, 475B.381

AMEND: 845-025-1300

RULE SUMMARY: These rules describe license prohibitions.

CHANGES TO RULE:

845-025-1300

Licensee Prohibitions ¶

(1) A licensee may not:¶

- (a) Import into this state or export from this state any marijuana items;¶
- (b) Give marijuana items as a prize, premium or consideration for a lottery, contest, game of chance or game of skill, or competition of any kind;¶
- (c) Sell, give or otherwise make available any marijuana items to any person who is visibly intoxicated;¶
- (d) Make false representations or statements to the Commission in order to induce or prevent action by the Commission;¶
- (e) Maintain a noisy, disorderly or insanitary establishment or supply adulterated marijuana items;¶
- (f) Misrepresent any marijuana item to a customer or to the public;¶
- (g) Sell any marijuana item through a drive-up or walk-up window;¶
- (h) Deliver or transfer marijuana items to any consumer off the licensed premises or to any unlicensed location except as permitted by OAR 845-025-2500 or OAR 845-025-2880;¶
- (i) Sell or offer to sell a marijuana item that does not comply with the minimum standards prescribed by the statutory laws of this state; or¶
- (j) Use or allow the use of a mark or label on the container of a marijuana item that is kept for sale if the container does not precisely and clearly indicate the nature of the container's contents or in any way might deceive a customer as to the nature, composition, quantity, age or quality of the marijuana item.¶

(2) No licensee or licensee representative may be under the influence of intoxicants while on duty.¶

(a) For purposes of this rule "on duty" means:¶

- (A) The beginning of a work shift that involves the handling or sale of marijuana items, checking identification or controlling conduct on the licensed premises, to the end of the shift including all breaks;¶
  - (B) For an individual working outside a scheduled work shift, the performance of acts on behalf of the licensee that involve the handling or sale of marijuana items, checking identification or controlling conduct on the licensed premises, if the individual has the authority to put himself or herself on duty; or¶
  - (C) A work shift that includes supervising those who handle or sell marijuana items, check identification or control the licensed premises.¶
- (b) Whether a person is paid or scheduled for work is not determinative of whether the person is considered "on duty" under this subsection.

Statutory/Other Authority: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.110

Statutes/Other Implemented: ORS 475B.185, 475B.190, 475B.195, 475B.205, 475B.270, 475B.275

AMEND: 845-025-1330

RULE SUMMARY: These rules describe how a licensee may provide trade items.

CHANGES TO RULE:

845-025-1330

Trade Samples ¶¶

~~(1) The following licensee~~For purposes of this rule, "marijuana or hemp cannabinoid product line" means marijuana or hemp cannabinoid products that may differ in flavor, color, or potency, so long as the product is otherwise identical.¶¶

~~(2) The following licensees and hemp certificate holders~~ 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:¶¶

~~(A) A cannabinoid product, concentrate, or extract to a marijuana producer, processor, wholesaler, or retailer; or~~¶¶

~~(B) A hemp concentrate, extract, or cannabinoid product to a marijuana processor, wholesaler, or retailer.~~¶¶

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

~~(d) A hemp handler certificate holder may provide a sample of a hemp item to a marijuana wholesaler, retailer, or processor licensee.~~¶¶

~~(23) The sample marijuana items may not be consumed or used on a licensed premises.~~¶¶

~~(34) The sample may not be sold to another licensee or consumer.~~¶¶

~~(45) Any sample provided to another licensee or received by a licensee must be recorded in CTS.~~ transfer of a sample to a licensee must be recorded in CTS and transported in compliance with OAR 845-025-7700.¶¶

~~(56) Any samples provided under this rule must be tested in accordance with OAR 333-007-0300 to 333-007-0500.~~¶¶

~~(67) Sample limits.~~¶¶

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

(A) ~~305~~ 5 grams per strain and no more than 6 strains of usable marijuana; or usable hemp;¶¶

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

(C) ~~5 units of sale of~~ per cannabinoid or hemp products line and no more than 3 (three) individual marijuana or hemp cannabinoid product lines.¶¶

(b) A wholesale licensee is limited to providing the following aggregate amounts of sample marijuana items per originating licensee to an individual recipient licensee in a calendar month:¶¶

(A) ~~305~~ 5 grams per strain and no more than 6 strains of usable marijuana; or usable hemp;¶¶

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

(C) 5 units of sale of cannabinoid products.¶¶

~~(78) 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.¶¶

~~(89) Licensees accepting trade samples may provide their employees with samples of hemp or marijuana items. All transactions must be recorded in CTS in a manner prescribed by the Commission.~~¶¶

(10) Reconciliation in CTS.¶¶

(a) When assigning and affixing the UID, a licensee or hemp certificate holder must designate samples as trade samples in CTS.

(b) Notwithstanding OAR 845-025-7520 (2), each marijuana or hemp cannabinoid product line intended as a sample must be assigned a single product line name in CTS and may be assigned a single UID tag.

(c) Licensees accepting trade samples may provide their employees with samples of hemp or marijuana items.

(d) When providing an employee a sample of a hemp or marijuana item, a licensee must record the following in CTS:

(A) The reduction in quantity of the total weight or item count as applicable under the associated UID for the item;

(B) The date and time the sample was provided to the employee;

(C) The worker permit number of the employee receiving the sample; and

(D) The name of the employee as it appears on their worker permit.

Statutory/Other Authority: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.105

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

AMEND: 845-025-1360

RULE SUMMARY: These rules describe quality control sample requirements.

CHANGES TO RULE:

845-025-1360

Quality Control Samples ¶¶

(1) ~~Producer and licensees, processor licensees, and hemp handler certificate holders~~ may provide sample marijuana items or hemp items directly to their own license representatives for the purpose of quality control and product development.¶¶

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

(3) The sample marijuana items or hemp 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~~ When providing an employee a sample of a hemp or marijuana item, a licensee must record the following in CTS:¶¶

(a) The reduction in quantity of the total weight or item count as applicable under the associated UID for the item:¶¶

(b) The date and time the sample was provided to the employee:¶¶

(c) The worker permit number of the employee receiving the sample; and¶¶

(d) The name of the employee as it appears on their worker permit.¶¶

(5) A producer licensee is limited to providing a total of the following amounts of sample marijuana items:¶¶

(a) Twenty-eight (28) grams of usable marijuana per strain harvested in a 72 hour period; and¶¶

(b) Five (5) grams of cannabinoid concentrates per process lot. ¶¶

~~(6) A processor licensee is limited to providing a total of the following amounts of sample marijuana items:¶¶~~

~~(a) 5 or hemp items:¶¶~~

(a) Five (5) grams of cannabinoid concentrates or extracts or hemp concentrates or extracts per process lot; and¶¶

(b) Twelve (12) individual units of sale per process lot for other cannabinoid products or hemp items.

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: These rules describe the security requirements for licensees.

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 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) ~~Except for immature marijuana plants, a~~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.~~locked, secured location or enclosure not visible from the consumer sales area and not visible from any area outside the licensed premises¶¶

(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.105

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

AMEND: 845-025-1430

RULE SUMMARY: These rules describe video surveillance equipment requirements.

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; ~~and~~¶¶
    - (F) Interface devices, if required to adequately operate system or machinery such as a mouse and keyboard.¶¶
  - (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 and monitors, 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.025, 475B.070, 475B.090, 475B.100, 475B.105

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

AMEND: 845-025-1440

RULE SUMMARY: These rules describe required camera coverage and camera placement.

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~~ingress and egress 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);¶¶

(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 areas, 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.105

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

AMEND: 845-025-1450

RULE SUMMARY: These rules describe video recording requirements for licensed facilities.

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, 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, 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~~all areas where camera coverage is required, 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~~10 fps (frames per second);¶

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

~~(d) Keep surveillance recordings, for a minimum of 90 calendar days;¶~~

~~(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.¶~~

(a) Prior to stopping recording, a licensee or laboratory licensee must provide notice to the Commission via email utilizing a Commission-designated form no later than 24 hours prior to when recording is will be stopped and must keep a log of all times that recording is stopped due to marijuana items not being present.¶

(b) The notice required by this rule must be provided to the Commission by email using a designated form as published by the Commission on its website and must include:¶

(A) A copy of the licensee's plot plan or diagram as described in OAR 845-025-1030 showing which cameras will be deactivated, the total number of cameras that will be deactivated, and a description or list of areas or applicable labels of the deactivated cameras.¶

(B) The date and time recording will be stopped.¶

(C) A description of the reason why recording will be stopped.¶

~~(D) The log date and notice must identify which cameras were not recording, time by which recording will resume.~~

~~(c) A licensee or laboratory licensee may not stop the recording or continuous real time back up of the recording for the surveillance area unless all other cameras on the licensed premises are shut down under this rule.~~

~~(d) A licensee or laboratory licensee must resume all required recording no later than the date and time recording stops, the date and time specified that recording will resume.~~

~~(e) Until the date and time specified by the licensee by which recording will resume or is scheduled to resume, and a description of the, a licensee or laboratory licensee may not engage in any licensed privileges in any area ~~on~~ why there recording was stopped and started under this rule.~~

~~(4) Failure to comply with subsections (1)(a), (b) or, (2)(~~g~~), (h) or (~~ie~~) of this rule is a Category I violation and may result in license revocation.~~

~~(5) Failure to comply with subsections (2)(a), (b), (~~ed~~), (~~ef~~), (~~gi~~), (j), (~~k~~), or (~~lk~~) of this rule is a Category II violation.~~

~~(6) Failure to comply with subsection (2)(d) of this rule is:~~

~~(a) For the first violation in a two-year period:~~

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

~~(B) A Category III violation if the licensee maintained surveillance recordings for more than 30 days but less than 90 days.~~

~~(b) A Category I violation for any subsequent violation in a two-year period.~~

~~(7) A licensee may not engage in any privileges of the license in an area that does not have camera coverage as described in OAR 845-025-1440 and 845-025-1450 or in an area where camera coverage has been stopped pursuant to (3) of this rule, including but not limited to possessing, storing, cultivating, transporting, transferring, or receiving marijuana items.~~

Statutory/Other Authority: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.105

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

AMEND: 845-025-2020

RULE SUMMARY: These rules describes producer privileges and prohibitions.

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) Possess and produce kief as defined in ORS 475B.096.¶¶

(A) A producer who produces kief is not a marijuana processor as defined in OAR 845-025-1015.¶¶

(B) If the kief is intended to be used in a cannabinoid edible, the producer must follow all provisions set forth in OAR 845-025-3250. ¶¶

(d) Sell, 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;¶¶

(D) Cannabinoid concentrates manufactured by the producer to the licensed premises of a marijuana processor, wholesaler, retailer, laboratory, non-profit dispensary, or research certificate holder if the producer holds a concentrate endorsement under OAR 845-025-2025; ¶¶

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

(E) Trade samples to another producer licensee, processor, wholesaler, or retailer only as allowed under OAR 845-025-1330;¶¶

(G) Quality control samples to a license representative of the producer licensee, only as allowed under OAR 845-025-1330; and¶¶

(H) Kief, as defined in ORS 475B.096, manufactured by the producer to the licensed premises of a marijuana processor, wholesaler, retailer, laboratory, non-profit dispensary, or research certificate holder.¶¶

~~(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.¶¶

(ef) Allow a laboratory licensee to obtain samples for purposes of performing testing as provided in these rules and OAR 333-007-0300 to 333-007-0500.¶¶

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

(A) ~~Only a~~Accepts or returns usable marijuana, kief, immature marijuana plants, seeds and whole non-living marijuana plants;¶¶

(B) Accepts or returns cannabinoid concentrates, if the producer holds a concentrate endorsement under OAR 845-025-2025;¶¶

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

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

(2) A producer may not possess, plant, cultivate, grow, harvest, dry, sell, deliver, transfer, transport, purchase, or

receive any marijuana item other than as provided in:¶¶

(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: These rules describe the privileges and prohibitions for Micro Tier processing.

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 relating to the processing of concentrates set forth within OAR 845-025-3210, 845-025-3220, 845-025-3230, 845-025-3240, and 845-025-3250.¶¶

(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.¶¶

(g) If making a concentrate intended to be used in a cannabinoid edible, the producer follows all provisions set forth within OAR 845-025-3260(1)(b)(E).¶¶

(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.¶¶

(3) Concentrate Endorsement.¶¶

(a) In order to apply for an endorsement an micro producer 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) In order to be eligible for a concentrate endorsement, a micro producer applicant or micro producer licensee must submit a land use compatibility statement showing that processing concentrates is not a prohibited use.¶¶

(c) 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: ORS 475B.070, 475B.096

Statutes/Other Implemented: ORS 475B.025, 475B.096

AMEND: 845-025-2040

RULE SUMMARY: These describe production size limitations.

CHANGES TO RULE:

845-025-2040

Production Size Limitations ¶¶

~~(1) Maximum General Requirements.¶¶~~

~~(a) A producer must clearly identify proposed canopy size limits for mature canopy area.¶¶~~

~~(a) Indoor Production. production method, canopy measurements, canopy shapes, and all designated mature and immature canopy areas in the initial license application and at renewal.¶¶~~

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

~~(c) A producer must have written approval from the Commission prior to changing:¶¶~~

~~(A) The location of a designated canopy area;¶¶~~

~~(B) The shape of a canopy area;¶¶~~

~~(C) Production method; or¶¶~~

~~(D) Canopy size limit. ¶¶~~

~~(d) A producer may only request a change between indoor, outdoor, or mixed production methods at the time the producer submits a renewal application.¶¶~~

~~(e) A producer with mixed production may only request to change approved indoor and outdoor canopy sizes at the time the producer submits a renewal application.¶¶~~

~~(2) Mature Canopy Size Limits.¶¶~~

~~(a) Indoor Production. Unless otherwise provided by these rules, the maximum mature canopy size limits for outdoor production shall be:¶¶~~

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

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

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

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

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

~~(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) ¶¶ If a producer intends to have mixed production, the Commission will use a 4:1 ratio, for outdoor and indoor respectively, to allocate canopy size limits under this section, not to exceed the sum canopy size limits set forth in section (12) 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 area, then the producer may have up to 20,000 square feet of outdoor canopy space area at the same time.¶¶~~

~~(23) 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.¶
- ~~(34) Canopy Measurements: and Shapes.¶~~

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

~~(a) For licenses is area. The total canopy area of mature plants grown on racks or shelving will be measured or renewed after April 1, 2018, to include each layer of plants within the canopy area.~~¶

~~(b) Maximum canopy areas allowed. A producer may just either:~~¶

~~(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 clearly demarcate each canopy area by a physical boundary, wall, or marker at the outermost edge or each corner of each designated canopy space; or~~¶

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

~~(b5) 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 what Canopy Size Changes.~~¶

~~(a) A producer that has held a production license under ORS 475B.020 and these rules for at least one year may request to increase the approved canopy size limit at any time during the following license year, if the producer has not already reached the availability of marijuana items in this state is commensurate maximum canopy size allowed under this rule. A producer must make a request for an increase in with the market demand. Following this evaluation, the Commission may amend this rule as needed.~~¶

~~(4) Cing, in a form and manner prescribed by the Commission. ¶~~

~~(b) The Commission will approve a request for a canopy Ssize Limit – Designation and Increases.~~¶

~~(a) A producer must clearly identify designated mature and immature canopy increase if the Commission believes that granting the request does not present an increased risk of noncompliance with the provisions of ORS Chapter 475B and these rules and if the producer:~~¶

~~(A) Has not already been approved for a canopy size increase during the preceding license year;~~¶

~~(B) Is not proposing to alter the producer's currently approved ratio of indoor to outdoor canopy size limits as described in subsection (2) of this rule;~~¶

~~(C) Is not proposing a number of additional canopy areas that exceed the maximum allowed under this rule;~~¶

~~(b) A producer may submit a request to change canopy tiers at the time the producer submits an app~~¶  
~~D) Submits an approved Land Use Compatibility Statement showing the increased canopy size is not prohibited;~~ ¶

~~(E) Provides verification 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; in a form and manner prescribed by the Commission, that the producer has complied with all security measures described in OAR 845-025-1400 to OAR 845-025-1470 where any additional canopy area is proposed; and~~¶

~~(F) Is not under investigation for suspected violations of any provision of ORS Chapter 475B or these rules and~~

does not have pending administrative violations.¶

~~(Bc) There are no bases to deny or reject the producer's renewal applicat~~A producer may not increase canopy size under this subsection without written approval from the Commission.¶

~~(Cd) The producer has not already reached the applicable maximum canopy size set forth in section (2) of this rule; and~~¶

~~(D) During the plf~~If the Commission determines a producer meets the requirements to increase canopy size at a time other than renewal, the producer must submit payment to the Commission for the differenced ing year of licensure, the producer has not been found to the fee paid by the producer at the prior renewal and the fee descri bed in violation, and does not have any pending allegations of violations of ORS 475B.010 to 475B.545 or these rules.OAR 845-025-1160 for the increased tier size prior to receiving written approval from the Commission.¶

~~(ee) 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.¶

(7) 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.

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

Statutes/Other Implemented: ORS 475B.085

AMEND: 845-025-2045

RULE SUMMARY: These rules describe the application, denial and revocation process for a propagation endorsement.

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 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: ORS 475B.025, ORS 475B.085

Statutes/Other Implemented: ORS 475B.085

AMEND: 845-025-2080

RULE SUMMARY: These rules describe how harvest lots need to be segregated.

CHANGES TO RULE:

845-025-2080

### Harvest Lot Segregation ¶

(1) A producer or grow site administrator, within 45 days of harvesting a harvest lot, must: ¶

(a) Physically segregate the harvest lot from other harvest lots; ¶

(b) Place the harvest lot in a receptacle or multiple receptacles; ¶

(c) ~~Assign and affix a UID tag to each receptacle~~ Record moisture loss by marking the harvest as linked to each plant that was harvested; complete in CTS; and ¶

(d) Ensure all inventory tracking procedures have been followed as required by 845-025-75420 to 845-025-7580; ¶

(e2) ~~Ensure current weights of all receptacles described in subsection (c) of this section are accurately recorded in CTS pursuant to the system requirements of CTS; and~~ ¶

(f) ~~Ensure all weight of the harvest has been recorded and designated in CTS as either usable marijuana with an assigned UID tag, waste or moisture loss.~~ ¶

(g) ~~Failure to follow any portion of this section is a violation.~~ ¶

(2) ~~Except as allowed under OAR 333-007-0300 to 333-007-0490 for purposes of sampling, or when providing usable marijuana to a processor a producer may not combine harvest lots that are of a different strain, were produced using different growing practices or harvested at a different locations or at different times~~ Failure by a licensee to follow any portion of this section is a Category III violation.

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

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

AMEND: 845-025-2120

RULE SUMMARY: These rules describe CTS requirements for medical registrants.

CHANGES TO RULE:

845-025-2120

#### Medical Registrant CTS Requirements

(1) A grow site administrator approved by the Authority under OAR 333-008-0638 for a grow site that is subject to tracking under ORS 475B.895 must:

- (a) Record all inventory in CTS within 10 calendar days of activating the CTS account;
- (b) Use CTS to record all inventory as specified by the requirements of these rules, including but not limited to OAR 845-025-7500, 845-025-7520, 845-025-7540, 845-025-7560, 845-025-7570 and 845-025-7580; and
- (c) Use CTS to record all transfers of marijuana items to patients, designated primary caregivers, registered medical marijuana dispensaries, registered medical marijuana processing sites, and to laboratories for testing, documenting:
  - (A) The amount of marijuana items transferred to each patient or designated primary caregiver, the patient or caregiver's OMMP card number, and the date of the transfer;
  - (B) The amount of usable marijuana, seeds and number of immature plants transferred to each registered dispensary, the dispensary's OMMP registration number and the date of transfer;
  - (C) The amount of usable marijuana transferred to each registered processing site, the processing site's OMMP registration number and the date of transfer; and
  - (D) The amount of usable marijuana transferred to each laboratory for testing, the laboratory's license number, and the date of the transfer.

(2) A medical marijuana processing site registered under ORS 475B.840 must:

- (a) Record all inventory within 10 calendar days of activating the CTS account;
- (b) Use CTS to record all inventory as specified by the requirements of these rules, including but not limited to OAR 845-025-7500, 845-025-7520, 845-025-7540, 845-025-7560, 845-025-7570 and 845-025-7580;
- (c) Use CTS to record all transfers of medical marijuana items received from patients, designated primary caregivers and medical marijuana processing sites, the applicable OMMP number and the date of transfer; and
- (d) Use CTS to record all transfers of marijuana items to patients, designated primary caregivers, registered medical marijuana dispensaries, registered medical marijuana processing sites, and to laboratories for testing, documenting:
  - (A) The amount of marijuana items transferred to each patient or designated primary caregiver, the patient or caregiver's OMMP card number, and the date of the transfer;
  - (B) The amount of marijuana items transferred to each registered dispensary, the dispensary's OMMP registration number and the date of transfer; and
  - (C) The amount of marijuana items transferred to each registered processing site, the processing site's OMMP registration number and the date of transfer.

(3) A medical marijuana dispensary registered under ORS 475B.858 must:

- (a) Record all inventory within 10 calendar days of activating the CTS account;
- (b) Use the CTS to record all inventory as specified by the requirements of these rules, including but not limited to OAR 845-025-7500, 845-025-7520, 845-025-7540, 845-025-7560, 845-025-7570 and 845-025-7580; and
- (c) Use CTS to record all transfers of marijuana items to patients or designated primary care givers, documenting the amount of marijuana items transferred to each patient or designated primary caregiver, the patient or caregiver's OMMP card number, and the date of the transfer; and
- (d) Use CTS to record all transfers of medical marijuana items received from PRMGs and medical marijuana processing sites, the applicable OMMP number and the date of transfer.

(4) ~~Harvesting. A grow site administrator must:~~

- ~~(a) Within 45 days of harvesting a harvest lot, physically segregate the harvest lot from other harvest lots, place the harvest lot in a receptacle or multiple receptacles and assign and affix a UID tag to each receptacle that is~~

linked to each plant that was harvested; and

(b) Except as allowed under OAR 333-007-0300 to 333-007-0490 for purposes of sampling, or when providing usable marijuana to a processor, a grow site administrator may not combine harvest lots that are of a different strain, were produced using different growing practices or harvested at a different locations or at different times.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.895

AMEND: 845-025-2140

RULE SUMMARY: These rules describe a medical grow site, medical processing site, or medical dispensary may transfer marijuana items to other facilities, patients, or caregivers.

CHANGES TO RULE:

845-025-2140

Registrant to Patient Transfers

~~Transfers to cardholders or designated primary caregivers. A medical grow site registered with the Commission must use CTS to document the amount of usable marijuana transferred to each registrant, the date of the transfer, and the registrant's OMMP number.~~ (1) A medical grow site, medical processing site, or medical dispensary subject to tracking under OAR Chapter 333, Division 8 must:

(a) Prior to transferring any marijuana item, using CTS, generate a transport manifest for every transfer of marijuana items to other facilities, patients, or caregivers that contains the following information:

(A) The name and contact information of a registrant representative, the medical grow site or medical processing site address, and the CTS facility identification number of the site transferring the marijuana items;

(B) The registry identification card number of the patient receiving the marijuana items whether or not they will be received by a caregiver on the patient's behalf, if applicable;

(C) The registry identification card number of the caregiver receiving the marijuana items on behalf of the patient, if applicable;

(D) Product name and quantities (by weight or unit) of each marijuana item contained in each transport, along with the UID numbers for every item;

(E) The date of transfer and approximate time of departure from the site;

(F) Arrival date and estimated time of arrival or delivery to the patient or caregiver;

(G) If transported to a facility or to a patient or caregiver, the delivery vehicle make and model and license plate number; and

(H) Name and signature of the representative accompanying the transport or responsible for confirming receipt by a patient or caregiver at the site address of the origin facility.

(b) Using CTS, print a physical manifest that will accompany the transport of marijuana items to the patient or caregiver if the marijuana items are not provided to the patient or caregiver at the physical address of the registered grow site.

(c) Using CTS, identify all completed, voided, or rejected transfers by 8:00 AM the following calendar day.

(2) A registrant may not void or change a transportation manifest after departing from the origin site address.

(3) All marijuana items must be labeled with the correct UID tags prior to transport.

(4) A registrant must provide a copy of the transport manifest to each registered site receiving the inventory described in the transport manifest, but in order to maintain transaction confidentiality, may prepare a separate manifest for each receiving site.

(5) Upon receipt of inventory a receiving registrant must ensure that the marijuana items received are as described in the transport manifest and must record receipt of the inventory in CTS.

(6) A receiving registrant 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.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: 2017 OL Ch. 183

AMEND: 845-025-2500

RULE SUMMARY: These rules describe the eligibility and registration requirements to produce usable marijuana for patients.

CHANGES TO RULE:

845-025-2500

Registration to Produce Usable Marijuana for Patients ¶¶

(1) Eligibility. A licensed producer may produce a medically designated mature canopy in an amount equal to ten percent of their approved mature canopy tier licensed under ORS 475B.075, as long as the producer provides at least seventy five percent of the annual yield of usable marijuana from their medically designated mature canopy to patients or a patient's designated primary caregivers for no consideration.¶¶

(2) In order to produce a medically designated mature grow canopy, a licensed producer must:¶¶

(a) Register in a form and manner specified by the commission;¶¶

(b) Pay the fee specified in OAR 845-025-1060;¶¶

(c) Provide the Commission with a scaled floor plan or map specifying where the medically designated mature canopy will be located on the licensed premises; and¶¶

(d) Submit a control plan describing how the producer will:¶¶

(A) Identify the medically designated mature canopy and separate the medically designated mature canopy from the recreational canopy; and¶¶

(B) Segregate usable marijuana harvested from the medically designated mature canopy from the usable marijuana harvested from other plants.¶¶

(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 to produce usable marijuana for patients.¶¶

(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 registering to produce marijuana for patients if the producer's total canopy of mature medical and recreational plants exceeds 5000 square feet for outdoor producers and 1250 square feet for indoor producers.¶¶

~~(4) Denial. A registration request will be denied if the producer has not complied with this rule or if any information submitted by the producer is false or misleading.¶¶~~

~~(4) Notwithstanding OAR 845-025-2020 (2), a producer registered under this section may transfer or deliver:¶¶~~

~~(a) Usable marijuana to a registry identification cardholder or designated primary caregiver at the licensed premises of the producer or the residence of a registry identification cardholder or designated primary caregiver;¶¶~~

~~(b) Immature marijuana plants to a registry identification cardholder, or designated primary caregiver at the licensed premises of the producer or the residence of a registry identification cardholder or designated primary caregiver; or¶¶~~

~~(c) Immature marijuana plants to a grow site.¶¶~~

~~(5) Prior to the transfer of marijuana items under this rule, a producer must obtain and retain, if not already on file, a copy of the patient's or caregiver's:¶¶~~

~~(a) Registry identification card if transferring to a registry identification cardholder;¶¶~~

~~(b) OMMP identification card if transferring to designated primary caregiver; or¶¶~~

~~(c) Marijuana grow site registration card if transferring to a PRMG.¶¶~~

~~(6) A producer may not sell, deliver, or transfer marijuana to a person who does not possess a card identified in section (5).¶¶~~

~~(7) A producer may maintain the records required under section (5) of this rule in electronic or physical form.¶¶~~

~~(a) For records maintained electronically, a producer shall maintain a backup system or sufficient data storage so that records are retained for no less than two years after the transfer of marijuana for which the records were last~~

obtained or used.

(b) For physical records, a producer must ensure the records:

(A) Are legible and complete;

(B) Kept in a safe and secure location; and

(C) Are retained for no less than two years after the transfer of marijuana for which the records were last obtained or used.

(8) In addition to the information required on a transport manifest under OAR 845-025-7700, a producer transferring marijuana as described in (4) of this rule must include:

(a) The registry identification card number of the registry identification cardholder for whom the immature plants are designated;

(b) The OMMP identification card number of the designated primary caregiver if transferring to a designated primary caregiver; or

(c) The marijuana grow site registration card number of the PRMG if transferring to a PRMG.

(9) Denial. A registration request will be denied if the producer has not complied with this rule or if any information submitted by the producer is false or misleading. A notice of denial must be issued in accordance with ORS Chapter 183.

(10) The Commission may revoke a registration under this section for any of the reasons that it may deny a registration under this section.

(11) A producer transferring immature plants under this section to a registry identification cardholder, designated primary caregiver, or a PRMG may transfer on a single manifest or to a person to possess on behalf of a single patient in any 24-hour period:

(a) No more than 6 immature marijuana plants over 24 inches in height; or

(b) No more than 36 immature marijuana plants under 24 inches in height.

(12) Violations.

(a) A transfer of marijuana to a registry identification cardholder, primary caregiver, or PRMG that fails to meet the requirements set forth in sections (5), (7) or (8) is a Category III violation.

(b) A violation of section (6) is a Category I violation.

(c) A violation of section (11) is a Category I violation.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: 2017 OL Chapter 183

AMEND: 845-025-2550

RULE SUMMARY: These rules describe requirements for producing and providing marijuana for patients.

CHANGES TO RULE:

845-025-2550

### Requirements for Producing and Providing Marijuana for Patients ¶

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

~~(1) M~~ 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 designated primary 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) Notwithstanding OAR 845-025-2020(2), a producer registered to produce marijuana for patients 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 a designated primary caregiver:¶

~~(A) Up to~~ No more than 24 ounces of usable marijuana per patient in any one transfer or in any 24 hour period;¶

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

~~(C) Immature plants of usable marijuana per patient in a calendar year; or~~¶

(C) No more than 12 immature marijuana plants in one transfer or in any 24-hour period¶

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

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

(e) 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 a registry identification cardholder or designated primary caregiver, as allowed by these rules.¶

(3) A producer registered to produce marijuana for patients 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; ~~or~~¶

(c) Transfer marijuana to a patient or designated primary caregiver other than as described in (2) of this rule.¶

(4) A violation of section (3) of this rule is a Category I violation.

Statutory/Other Authority: ORS 475B.025, ORS 475B.136

Statutes/Other Implemented: ORS 475B.025, ORS 475B.136

AMEND: 845-025-2560

RULE SUMMARY: These rules describe when the Commission may revoke a registration to produce marijuana for patients.

CHANGES TO RULE:

845-025-2560

Cancellation of Registration; Violations ¶

(1) In addition to taking action against the producer's license, the Commission may cancel or suspend a licensed producer's registration to produce marijuana plants on a medically designated grow canopy if the producer violates these rules.¶

(2) The Commission may revoke a registration to produce marijuana for patients for any of the reasons that it may deny a registration under OAR 845-025-2500.¶

(3) A transfer of marijuana to a registry identification cardholder, primary caregiver, or PRMG that fails to meet the requirements set forth in sections 845-025-2550 (1)(e), (f), or (g) is a Category III violation.

Statutory/Other Authority: ORS 475B.025

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

AMEND: 845-025-2750

RULE SUMMARY: These rules describe the privileges and prohibitions of the industrial hemp grower certificate.

CHANGES TO RULE:

845-025-2750

#### Industrial Hemp Grower Certificate Privileges; Prohibitions

- (1) A Commission-certified hemp grower may deliver industrial hemp to a processor or wholesaler that holds a license issued under ORS 475B.090 or 475B.100 in accordance with this rule.¶¶
- (2) If transferring, selling or transporting to a Commission licensee, a Commission-certified hemp grower may:¶¶
  - (a) Transfer, sell, or transport harvested industrial hemp to a processor licensed under ORS 475B.090 that holds an industrial hemp endorsement; or¶¶
  - (b) Transfer, sell, or transport harvested industrial hemp to a wholesaler licensed under ORS 475B.100.¶¶
- (3) When transferring, selling, or transporting pursuant to section (2) of this rule, a Commission-certified hemp grower:¶¶
  - (a) May only transfer, sell, or transport industrial hemp that:¶¶
    - (A) Has been tested in accordance with the Authority's rules for testing usable marijuana in OAR 333-007-0300 to 333-007-0500 and OAR 333, division 64;¶¶
    - (B) Has been tested for potency in accordance with OAR 333-007-0430, notwithstanding whether a test for potency would be required for usable marijuana; and¶¶
    - (C) Otherwise complies with the requirements for marijuana items under ORS 475B.010 to 475B.545, ORS 475B.550 to 475B.590, and 475B.600 to 475B.655 and Commission rules.¶¶
  - (b) May only transfer industrial hemp from the location identified in the application under OAR 845-025-2700(2)(c);¶¶
  - (c) Must:¶¶
    - (A) Hold a valid Industrial Hemp Grower Certificate issued by the Commission.¶¶
    - (B) Provide the licensee a copy of any test result conducted on the industrial hemp. Test results include, but are not limited to, any pre-harvest test result conducted under OAR 603-048-0600 and any results from research & development testing.¶¶
    - (C) Comply with CTS requirements in accordance with OAR 845-025-2775.¶¶
    - (D) Transport industrial hemp in compliance with the requirements for a licensee transporting marijuana items under OAR 845-025-7700(2), (3)(a) - (b), (5) - (163)(a) - (d) and (3)(g) - (m); and¶¶
  - (d) May not transfer:¶¶
    - (A) Any industrial hemp that has failed the testing described in OAR 603-048-0600 to 603-048-0650;¶¶
    - (B) Any batch of harvested industrial hemp to a licensee that exceeds the THC limits specified in OAR 845-025-2760;¶¶
    - (C) Any living industrial hemp plants; or¶¶
    - (D) Industrial hemp seed.¶¶
- (4) Failed potency testing; remediation.¶¶
  - (a) If a batch of industrial hemp tested under OAR 333-007-0430 exceeds the THC limits specified in OAR 845-025-2760 when a compliance test is conducted under OAR 333-007-0430, it fails potency testing for the purposes of these rules.¶¶
  - (b) If a batch of industrial hemp fails potency testing, the Commission-certified hemp grower must:¶¶
    - (A) Store and segregate the batch in a secure area until it is transferred or destroyed;¶¶
    - (B) Label the batch clearly to indicate it has failed a test and the label must include a test batch number; and¶¶
    - (C) Either:¶¶
      - (i) Transfer the batch of industrial hemp that failed potency testing to a Commission-certified hemp handler for the purposes of processing the industrial hemp into a hemp item that does not exceed the THC limits specified in OAR 845-025-2760; or¶¶
      - (ii) Destroy the batch of industrial hemp that failed potency testing in a manner specified by the Commission.¶¶

(c) A Commission-certified hemp grower may not transfer, sell, or transport industrial hemp that fails potency testing other than as provided in these rules.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.025, ORS 571.336, 2018 OL CH. 116

AMEND: 845-025-2755

RULE SUMMARY: These rules describe the privileges and prohibitions of the industrial hemp handler certificate.

CHANGES TO RULE:

845-025-2755

#### Industrial Hemp Handler Certificate Privileges; Prohibitions

(1) A Commission-certified hemp handler may deliver industrial hemp or hemp items to a processor, wholesaler, or retailer that holds a license issued under ORS 475B.090, 475B.100, or 475B.105 in accordance with this rule.¶

(2) If transferring, selling or transporting to a Commission licensee, a Commission-certified hemp handler may only:¶

(a) Transfer, sell, or transport harvested industrial hemp or hemp items to a processor licensed under ORS 475B.090 that holds an industrial hemp endorsement;¶

(b) Transfer, sell, or transport harvested industrial hemp or hemp items to a wholesaler licensed under ORS 475B.100; or¶

(c) Transfer, sell, or transport hemp items to a retailer licensed under ORS 475B.105.¶

(3) When transferring, selling, or transporting pursuant to subsection (2) of this rule a Commission-certified hemp handler:¶

(a) May only transfer, sell, or transport industrial hemp and hemp items that:¶

(A) Have been tested in accordance with the Authority's rules for testing the equivalent marijuana item in OAR 333-007-0300 to 333-007-0500 and OAR 333, division 64;¶

(B) Have been tested for THC and CBD concentration in accordance with OAR 333-007-0430, notwithstanding whether a test for potency would be required for the equivalent marijuana item; and¶

(C) Otherwise complies with the requirements for marijuana items under ORS 475B.010 to 475B.545, ORS 475B.550 to 475B.590, and 475B.600 to 475B.655 and Commission rules.¶

(b) May only transfer industrial hemp or hemp items from the location identified in the application under OAR 845-025-2705(2)(c).¶

(c) Must:¶

(A) Hold a valid Industrial Hemp Handler Certificate issued by the Commission.¶

(B) Provide the licensee a copy of any test result conducted on the industrial hemp or hemp items. Test results include, but are not limited to, any pre-harvest test result conducted under OAR 603-048-0600 and any results from research & development testing.¶

(C) Comply with CTS requirements in accordance with OAR 845-025-2775.¶

(D) Transport industrial hemp or hemp items in compliance with the requirements for a licensee transporting marijuana items under OAR 845-025-7700(2), (3)(a) - (b), (5) - (163)(a) - (d) and (3)(g) - (m).¶

(d) May not transfer to a licensee:¶

(A) Any industrial hemp that has failed the testing described in OAR 603-048-0600 to 603-048-0650;¶

(B) Any batch of harvested industrial hemp that exceeds the THC limits specified in OAR 845-025-2760;¶

(C) Any hemp item that exceeds the THC limits specified in OAR 845-025-2760;¶

(D) Any living industrial hemp plants; or¶

(E) Industrial hemp seed.¶

(4) Failed potency testing; remediation.¶

(a) If a batch of industrial hemp or hemp items tested under OAR 333-007-0430 exceeds the THC limits specified in OAR 845-025-2760 when a compliance test is conducted under OAR 333-007-0430, it fails potency testing for the purposes of these rules.¶

(b) If a batch of industrial hemp or hemp items fails potency testing, the Commission-certified hemp handler must:¶

(A) Store and segregate the batch in a secure area until it is transferred or destroyed;¶

(B) Label the batch clearly to indicate it has failed a test and the label must include a test batch number; and¶

(c) For each batch of industrial hemp or hemp items that fails potency testing, the Commission-certified hemp

handler must:¶

- (A) Process the batch into a hemp item that does not exceed the THC limits specified in OAR 845-025-2760;¶
  - (B) Transfer the batch to a Commission-certified hemp handler for the purposes of processing the industrial hemp into a hemp item that does not exceed the THC limits specified in OAR 845-025-2760; or¶
  - (C) Destroy the batch in a manner specified by the Commission.¶
- (d) A Commission-certified hemp handler may not transfer, sell, or transport:¶
- (A) Any hemp item derived from a batch of industrial hemp or hemp items that failed potency testing except to a licensee or laboratory licensee as provided in these rules.¶
  - (B) Industrial hemp that fails potency testing other than as provided in these rules.¶
- (5) Equivalent marijuana items. For the purposes of this rule:¶
- (a) Cannabinoid capsule as defined in OAR 603-048-2310 is equivalent to cannabinoid capsule as defined in OAR 333-007-0310.¶
  - (b) Cannabinoid product as defined in OAR 603-048-2310 is equivalent to cannabinoid product as defined in OAR 333-007-0310.¶
  - (c) Harvested industrial hemp is equivalent to usable marijuana as defined in OAR 333-007-0310.¶
  - (d) Hemp concentrate or extract as defined in OAR 603-048-2310 is equivalent to cannabinoid concentrate or extract as defined in OAR 333-007-0310.¶
  - (e) Hemp edible as defined in OAR 603-048-2310 is equivalent to cannabinoid edible as defined in OAR 333-007-0310.¶
  - (f) Hemp stalk as defined in OAR 603-048-2310 is equivalent to usable marijuana as defined in OAR 333-007-0310.¶
  - (g) Hemp tincture as defined in OAR 603-048-2310 is equivalent to cannabinoid tincture as defined in OAR 333-007-0310.¶
  - (h) Hemp topical as defined in OAR 603-048-2310 is equivalent to cannabinoid topical as defined in OAR 333-007-0310.¶
  - (i) Hemp transdermal patch as defined in OAR 603-048-2310 is equivalent to cannabinoid transdermal patch as defined in OAR 333-007-0310.¶
  - (j) Usable hemp as defined in OAR 603-048-2310 is equivalent to usable marijuana as defined in OAR 333-007-0310.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 571.336, 2018 OL CH. 116

AMEND: 845-025-2760

RULE SUMMARY: These rules describe THC concentration limits for industrial hemp and hemp items.

CHANGES TO RULE:

845-025-2760

THC Concentration Limits for Industrial Hemp and Hemp Items

(1) This rule applies to:¶

(a) Commission-certified hemp growers and Commission-certified hemp handlers transferring industrial hemp or hemp items to licensees;¶

(b) Licensees receiving industrial hemp or industrial hemp items from licensees, Commission-certified hemp growers, or Commission-certified hemp handlers; and¶

(c) Retailers selling, transferring, or delivering hemp items to a consumer, patient, or primary caregiver in accordance with OAR 845-025-2800.¶

(2) For the purposes of this rule:¶

(a) "Total THC" means the amount or percentage of THC as calculated pursuant to OAR 333-064-0100.¶

(b) "Container" has the meaning given that term in OAR 845-025-7000.¶

(c) "Serving" has the meaning given that term in OAR 845-025-7000.¶

(3) Concentration, serving size, and container limits.¶

(a) Harvested industrial hemp or a hemp item must be tested by a laboratory using a method with an LOQ capable of detecting whether a sample exceeds any applicable concentration, serving size, or container limit for delta-9-THC individually and for the total THC equivalent of delta-9-THCA individually.¶

(b) Harvested industrial hemp may not exceed a concentration of one percent total THC.¶

(~~b~~c) A hemp item other than a hemp concentrate or extract as defined in OAR 603-048-2310 may not exceed a concentration of one percent total THC.¶

(~~e~~d) A hemp concentrate or extract as defined in OAR 603-048-2310 may not exceed a concentration of five percent total THC.¶

(~~d~~e) A hemp item other than usable hemp or a hemp concentrate, extract, or tincture may not exceed 10 milligrams total THC in a container. A hemp concentrate, extract, or tincture may not exceed 50 milligrams total THC in a container.¶

(~~f~~e) A hemp item other than a hemp tincture that is intended for human consumption may not exceed one milligram total THC per serving.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 571.336, 2018 OL CH. 116

AMEND: 845-025-2785

RULE SUMMARY: These rules describe the privileges and requirements for the industrial hemp licensee.

CHANGES TO RULE:

845-025-2785

#### Licensee Industrial Hemp Privileges; Requirements

- (1) A processor with an industrial hemp endorsement may transfer, sell, transport, purchase, possess, accept, return, or receive industrial hemp and hemp items in accordance with OAR 845-025-3215.¶
- (2) A wholesaler may transfer, sell, transport, purchase, possess, accept, return, or receive industrial hemp and hemp items in accordance with OAR 845-025-3500.¶
- (3) A retailer may:¶
  - (a) Transfer, sell, transport, purchase, possess, accept, return, or receive hemp items in accordance with OAR 845-025-2800.¶
  - (b) Sell, transfer, or deliver hemp items to a consumer, patient, or designated primary caregiver in accordance with all requirements for selling or transferring marijuana items.¶
- (4) A licensee may only receive industrial hemp and hemp items from a Commission-certified hemp grower or Commission-certified hemp handler if:¶
  - (a) The industrial hemp or hemp item does not exceed the THC limits specified in OAR 845-025-2760;¶
  - (b) The licensee receives a copy of any test result conducted on the industrial hemp or hemp item as a condition of receipt. Test results include, but are not limited to, any pre-harvest test result conducted under OAR 603-048-0600 and any results from quality control and research and development testing conducted under OAR 333-007-0500; and¶
  - (c) The licensee complies with any applicable requirements of ORS 571.305 to ORS 571.348 or any rules adopted thereunder.¶
- (5) A licensee may only deliver industrial hemp and hemp items if the industrial hemp and hemp items are:¶
  - (a) Delivered to a licensed marijuana retailer or wholesaler, or to a processor with an industrial hemp endorsement in compliance with all rules for delivering marijuana;¶
  - (b) Meet any applicable requirement for marijuana items set forth in ORS 475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted thereunder; and¶
  - (c) Were entered into and tracked by CTS prior to receipt.¶
- (6) Licensees must track industrial hemp or any hemp item using CTS in the same manner that they track marijuana items.¶
- (7) All requirements for marijuana items under ORS 475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to 475B.655 and any rules adopted thereunder apply to industrial hemp and hemp items received, delivered, or manufactured by a licensee or laboratory licensee unless specifically excluded by these rules.¶
- (8) A laboratory licensee must comply with all of the requirements of OAR 845-025-5045 when performing sampling or testing of industrial hemp or hemp items entered in CTS by a processor, wholesaler, retailer, Commission-certified hemp grower, or Commission-certified hemp handler in accordance with OAR 845-025-2775.¶
- (9) A licensee or laboratory licensee may not:¶
  - (a) Transfer, sell, transport, purchase, possess, accept, return, or receive any industrial hemp or hemp item other than as provided in this rule;¶
  - (b) Transfer, sell, transport, purchase, possess, accept, return, or receive any industrial hemp or hemp item that exceeds the THC limits specified in OAR 845-025-2760;¶
  - (c) Transfer, sell, transport, purchase, possess, accept, or receive hemp items that exceeded 0.3 percent THC when imported into the state;¶
  - (d) Purchase, possess, or receive any industrial hemp that has failed the testing described in OAR 603-048-0600 to 603-048-0650; or¶
  - (e) Plant, propagate, cultivate, grow or harvest industrial hemp within their licensed premises.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.090, ORS 475B.299, ORS 571.336, ORS 571.336, 2018 OL CH. 116

AMEND: 845-025-2800

RULE SUMMARY: These rules describe privileges and prohibitions for a retailer.

CHANGES TO RULE:

845-025-2800

Retailer Privileges; Prohibitions ¶¶

- (1) A retailer is authorized to sell, transfer or deliver a marijuana item or hemp 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 and hemp items from the licensed premises to a consumer 21 years of age or older;¶¶
  - (b) Sell, transfer or deliver:¶¶
    - (A) Marijuana items or hemp items 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 or hemp items to a patient or designated primary caregiver between ages 18-21, so long as:¶¶
      - (i) The 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) Hemp waste to a wholesaler, processor with an industrial hemp endorsement, or research certificate holder.¶¶
  - (c) Accept or make returns, as long as the retailer:¶¶
    - (A) Only accepts or returns usable marijuana, marijuana items, hemp items, immature marijuana plants and seeds;¶¶
    - (B) Only accepts or returns eligible items listed in subsection (A) of this section from either the original licensee that supplied the item or the customer or registry identification cardholder 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, possess or receive:¶¶
    - (A) Usable marijuana, immature marijuana plants, ~~and seeds,~~ and kief from a producer or from a research certificate holder;¶¶
    - (B) Cannabinoid concentrates from a micro tier producer with a concentrate endorsement issued under OAR 845-025-2025; ¶¶
    - (C) Cannabinoid concentrates, extracts, and products from a processor with an endorsement to manufacture the type of product received or from a research certificate holder;¶¶
    - (~~D~~) Any marijuana item, except for whole, non-living marijuana plants, from a wholesaler;¶¶
    - (~~E~~) Any marijuana item from a laboratory;¶¶
    - (~~F~~) Trade samples as allowed by 845-025- 1330; ¶¶
    - (G) 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.¶¶
    - (~~H~~) Hemp items from a Commission-certified hemp handler, a wholesaler, a laboratory licensee, or a processor with an industrial hemp endorsement; and¶¶
    - (~~I~~) Hemp 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 or hemp 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 333-007-0500;¶¶
  - (g) Accept returned marijuana items or hemp 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; and¶¶

(h) Sell marijuana items for medical purposes, as long as the retailer follows the provisions set forth in 845-025-2900.¶¶

(3) Hemp items sold, transferred, or delivered under subsection (2) of this rule must have been received from a Commission-certified hemp handler, a processor with an industrial hemp endorsement, a wholesaler, or a retailer owned by the same or substantially the same persons in accordance with these rules.¶¶

(4) 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;¶¶

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

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

(D) 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) 8 ounces of usable marijuana at any one time or within one day per patient; and¶¶

(B) No more than 32 ounces in one calendar month per patient.¶¶

(c) Transfer, sell, transport, purchase, possess, accept, return, or receive any hemp item that exceeds the THC limits specified in OAR 845-025-2760 unless the item was manufactured by a processor with an industrial hemp endorsement prior to March 1, 2019. A retailer licensee may transfer, sell, transport, purchase, possess, accept, return, or receive hemp items manufactured by a processor with an industrial hemp endorsement prior to March 1, 2019 in accordance with these rules until December 31, 2019.¶¶

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

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

(f) Sell or give away any non-marijuana items, including hemp items, that are attractive to minors as defined by these rules.¶¶

(g) 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 or hemp items.¶¶

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

(i) 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.¶¶

(j) Permit a licensed representative to handle an unpackaged marijuana item or hemp 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.¶¶

(k) Sell or transfer a returned marijuana item or hemp item to another consumer.¶¶

(l) Sell, transfer, deliver, purchase, possess, accept, return or receive any marijuana item or hemp item other than as provided in this rule.¶¶

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

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

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

(p) 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.¶

(5) Notwithstanding (2)(b)(C) of this section:¶

(a) A retailer may transfer marijuana items to a single wholesaler so long as the retailer transfers the entirety of its inventory to the wholesaler and all requirements pursuant to OAR 845-025-7700 are met; or¶

(b) The wholesaler may transfer the marijuana items pursuant to OAR 845-025-3500.

Statutory/Other Authority: ORS 475B.025, ORS 475B.105

Statutes/Other Implemented: ORS 475B.025, ORS 475B.105

AMEND: 845-025-2900

RULE SUMMARY: These rules describe the retail sale of marijuana for medical purposes.

CHANGES TO RULE:

845-025-2900

Retail Sale of Marijuana for Medical Purposes ¶¶

(1) In order to sell marijuana items for medical purposes, a marijuana retailer licensed under ORS 475B.110 must:¶¶

(a) Register in a form and manner specified by the commission; and¶¶

(b) Follow all requirements established by OAR 845-025-2800.¶¶

(2) A marijuana retailer licensed under ORS 475B.110 who has registered with the commission to sell marijuana items for medical purposes, may:-¶¶

~~(a) Sell marijuana items tax free to registry identification cardholders and designated primary caregivers.¶¶~~

~~(b) Sell medical grade cannabinoid product, cannabinoid concentrate or extract to registry identification cardholders and designated primary caregivers.¶¶~~

~~(c) Sell or provide usable marijuana and medical grade cannabinoid products, concentrates and extracts to registry identification cardholders and designated primary caregivers free of charge or at a discounted price.¶¶~~

~~(d) Notwithstanding the requirements of OAR 845-025-1230, 845-025-2800, 845-025-2820 and 845-025-8520, permit registry identification cardholders 18 years of age and older to be present on the licensed premises and purchase marijuana items.¶¶~~

(3) A marijuana retailer who is registered with the commission to sell marijuana items for medical purposes must:¶¶

(a) Store and display medical grade cannabinoid products, concentrates and extracts in a manner that separates medical grade items from other marijuana items.¶¶

(b) Comply with the requirements of OAR 333-007-0100 to 333-007-0100 for labeling medical grade products.¶¶

(c) Prior to the sale or transfer of a marijuana item as described in section (2) of this rule, verify that the individual who is purchasing a marijuana item for medical purposes is currently registered with the Authority by viewing the individual's government issued photo identification and Authority issued registry identification card or designated primary care giver card, or a receipt issued by the Authority under OAR 333-008-0023 or 333-008-0040 and making sure the identities match and that the card is current or the receipt has not expired.¶¶

(d) Use CTS to record the receipt or card number of every registry identification cardholder and designated primary care giver who receives marijuana items as described in section (2) of this rule together with the date of the sale or transfer and amount sold or transferred.¶¶

(4) A marijuana retailer who is registered with the commission to sell marijuana items for medical purposes may not sell or transfer a medical grade product to a registry identification cardholder or designated primary caregiver that exceeds the concentration limits in OAR 333-007-0220.¶¶

(5) Violation of this rule is a Category III violation.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: 2016 OL Ch. 83

AMEND: 845-025-3210

RULE SUMMARY: These rules describe types of endorsements for processors, the application process and requirements.

CHANGES TO RULE:

845-025-3210

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.¶¶

(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:¶¶

(a) 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.; and¶¶

(b) A land use compatibility statement showing that any proposed processing endorsements are not prohibited uses.¶¶

(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.158, 571.336

AMEND: 845-025-3215

RULE SUMMARY: These rules describe the privileges and prohibitions for processors.

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;¶¶

(C) Trade samples to a producer, processor, wholesaler, or retailer licensee, only as allowed under OAR 845-025-1330; and¶¶

(D) Quality control samples to a license representative, only as allowed under OAR 845-025-1360. ¶¶

(b) Purchase, 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, patient or designated primary caregiver, or from a research certificate holder;¶¶

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

(C) Kief from a producer;¶¶

(D) Cannabinoid concentrates from a producer that holds a concentrate endorsement under OAR 845-025-2025;¶¶

(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) Trade samples as allowed by 845-025-1330;¶¶

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

~~(E)~~ 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 333-007-0500.¶¶

(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 that supplied or purchased the item; ~~and~~¶¶

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

(2) A processor with an industrial hemp endorsement may:¶¶

(a) Transfer, sell, or transport hemp items to a wholesaler, a retailer, or a processor with an industrial hemp endorsement.¶¶

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

(A) Hemp items from a wholesaler, a processor with an industrial hemp endorsement, or a Commission-certified hemp handler; ~~and~~¶¶

(B) Harvested industrial hemp from a wholesaler, a Commission-certified hemp handler, or a Commission-certified hemp grower.¶¶

(c) Process industrial hemp and hemp items into any hemp item in compliance with all rules for processing marijuana.¶¶

(d) Use industrial hemp and hemp items as an ingredient in the processing of marijuana items.¶¶

(3) A processor may not:¶¶

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

(b) Use any unapproved process set forth in OAR 845-025-3200 to OAR 845-025-3305;¶¶

(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;¶¶

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

(e) Transfer, sell, transport, purchase, possess, accept, return, or receive any industrial hemp or hemp item that exceeds the THC limits specified in OAR 845-025-2760 unless the item was manufactured by a processor with an industrial hemp endorsement prior to March 1, 2019. A processor licensee may transfer, sell, transport, purchase, possess, accept, return, or receive hemp items manufactured by a processor with an industrial hemp endorsement prior to March 1, 2019 in accordance with these rules until December 31, 2019.¶¶

(4) 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, ORS 475B.090

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

AMEND: 845-025-3305

RULE SUMMARY: These rules describe processing eligibility and requirements for cardholders.

CHANGES TO RULE:

845-025-3305

#### Processing for Cardholders

(1) Eligibility. ~~A~~Notwithstanding OAR 845-025-3215 (3), 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;¶

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

(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;¶

(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) 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: "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 333-007-0500;¶

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

(C) 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, industrial hemp, 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, ORS 475B.090, ORS 475B.139

Statutes/Other Implemented: ORS 475B.090, ORS 475B.139

AMEND: 845-025-3500

RULE SUMMARY: These rules describe privileges and prohibitions for wholesale license.

CHANGES TO RULE:

845-025-3500

Wholesale License Privileges; Prohibitions ¶¶

(1) A wholesale licensee may:¶¶

(a) Sell, including sale by auction, transfer, deliver or transport:¶¶

(A) Any type of or marijuana item or hemp 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 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) Trade samples as allowed under OAR 845-025-1330;¶¶

(F) Marijuana or hemp waste to a producer, processor, wholesaler or research certificate holder;¶¶

(~~F~~G) Harvested industrial hemp to a wholesaler or to a processor with an industrial hemp endorsement; and¶¶

(~~G~~H) Industrial hemp items to a processor with an industrial hemp endorsement.¶¶

(b) Purchase, possess or receive:¶¶

(A) Any type of marijuana item or hemp 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, or kief from a producer;¶¶

(D) Cannabinoid concentrates from a producer that holds a concentrate endorsement under OAR 845-025-2025;¶¶

(E) Whole, non-living marijuana plants that have been entirely removed from any growing medium from a producer;¶¶

(~~E~~F) Trade samples as allowed under OAR 845-025-1330;¶¶

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

(~~F~~H) Hemp Items from a processor with an industrial hemp endorsement or a Commission-certified hemp handler; and¶¶

(G) Harvested industrial hemp from a wholesaler, a processor with an Industrial Hemp endorsement, a Commission-certified hemp handler, or a Commission-certified hemp grower.¶¶

(c) Transport and store marijuana items and hemp 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 333-007-0500.¶¶

(e) Accept or make returns of marijuana items, as long as the wholesaler:¶¶

(A) Only accepts or returns usable marijuana, marijuana items, harvested industrial hemp, hemp 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:¶

(a) Sell, deliver, purchase, or receive any marijuana item, industrial hemp, or hemp item other than as provided in this rule.¶

(b) Transfer, sell, transport, purchase, possess, accept, return, or receive any industrial hemp or hemp item that exceeds the THC limits specified in OAR 845-025-2760 unless the item was manufactured by a processor with an industrial hemp endorsement prior to March 1, 2019. A wholesale licensee may transfer, sell, transport, purchase, possess, accept, return, or receive hemp items manufactured by a processor with an industrial hemp endorsement prior to March 1, 2019 in accordance with these rules until December 31, 2019.¶

(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, 2018 OL Ch. 116

AMEND: 845-025-5045

RULE SUMMARY: These rules describe the tracking and reporting for laboratories.

CHANGES TO RULE:

845-025-5045

Laboratory Tracking and Reporting ¶

(1) A laboratory licensee is required to utilize CTS for sampling or testing conducted for medical marijuana grow sites subject to CTS tracking, medical marijuana processing sites, licensees and research certificate holders, and follow all requirements established by OAR 845-025-7500 to 845-025-7590.¶

(2) A laboratory licensee conducting sampling or testing for licensees, medical marijuana grow sites subject to CTS tracking, or medical marijuana processing sites is responsible for tracking and entering the following information into CTS: This includes subcontracted testing.¶

(a) Receipt of samples for testing, including:¶

(A) Size of the sample;¶

(B) Name of the licensee or research certificate holder, grow site administrator, or person responsible for the marijuana processing site from whence the sample was obtained;¶

(C) Date the sample was collected; and¶

(D) UID tag information associated with the harvest or process lot from which the sample was obtained.¶

(b) Tests performed on samples, including:¶

(A) Date testing was performed;¶

(B) What samples were tested for;¶

(C) Name of laboratory responsible for testing; ~~and~~¶

(D) Results of all testing performed; and¶

(E) An electronic copy of the report provided under OAR 333-064-0110 to the licensee, grow site administrator, or processing site.¶

(c) Disposition of any testing sample material.¶

(3) A laboratory licensee receiving a sample from another laboratory licensee for the purposes of performing a subcontracted compliance test is responsible for tracking and entering information into CTS as described in (2) of this rule. A laboratory licensee may not enter information on behalf of another laboratory licensee.¶

(4) A laboratory must also comply with any recordkeeping requirements in OAR 333-007-0300 to 333-007-0490 and OAR 333, Division 64.¶

(45) The Oregon Health Authority or the Commission may request records at any time of a laboratory licensee.

Statutory/Other Authority: ORS 475B.560

Statutes/Other Implemented: ORS 475B.560

AMEND: 845-025-5075

RULE SUMMARY: These rules describe prohibited conduct for laboratory licensees.

CHANGES TO RULE:

845-025-5075

Laboratory Licensee Prohibited Conduct ¶

(1) In addition to the prohibitions set forth in OAR 845-025-8520, a laboratory licensee may not:¶

(a) Perform any required marijuana sampling or testing using any sampling or testing methods or equipment not permitted under the laboratory's accreditation through the Authority;¶

(b) Perform any required marijuana sampling or testing for any licensed marijuana producer, processor, wholesaler or retailer in which the laboratory licensee has a financial interest;¶

(c) Perform any required hemp or hemp item sampling or testing for any hemp grower or hemp handler in which the laboratory licensee has a financial interest; or¶

(ed) Engage in any activity that violates any provision of ORS Chapter 475B, OAR 333-007-0300 through OAR 333-007-0490 or OAR 333, Division 64 as applicable or these rules.¶

(2) The Commission may suspend or revoke a laboratory license for any violation of ORS 475B.550 to ORS 475B.590, OAR 333-007-0300 to 333-007-0490, OAR 333, Division 64, or these rules. The licensee has a right to a hearing under the procedures of ORS chapter 183; OAR chapter 137, division 003; and OAR chapter 845, division 003.¶

(3) A violation of this rule is a Category I violation and could result in license revocation.

Statutory/Other Authority: ORS 475B.560

Statutes/Other Implemented: ORS 475B.560

AMEND: 845-025-5520

RULE SUMMARY: These rules describe marijuana worker application requirements.

CHANGES TO RULE:

845-025-5520

### Marijuana Worker Applications ¶¶

(1) In order to obtain a marijuana worker permit an individual must submit an application on a form prescribed by the Commission. The application must contain the applicant's:¶¶

(a) Name;¶¶

(b) Mailing address;¶¶

(c) Date of birth;¶¶

(d) Signature; and¶¶

(e) Response to conviction history questions.¶¶

(2) In addition to the application an applicant must submit:¶¶

(a) A copy of a driver's license or identification card issued by one of the fifty states in the United States of America or a passport; and¶¶

(b) Proof of having passed the worker permit examination.¶¶

(3) If an application does not contain all the information requested or if the applicant fails to submit an application with all of the information required in section (1) or the applicant fails to provide any of the additional information required in section (2) to the Commission, the application will be considered incomplete.¶¶

(4) Once the permit application has been processed and approved by the Commission, the applicant must pay the fee described in OAR 845-025-1060 before the permit is issued. If the applicant fails to pay the permit fee within 30 calendar days of receiving notice that the application has been approved, the application will be considered incomplete.

Statutory/Other Authority: ~~ORS 475B.215, 8, ORS 475B.218~~5

Statutes/Other Implemented: ORS 475B.215, 475B.218

AMEND: 845-025-5540

RULE SUMMARY: These rules describe the denial criteria for marijuana worker permits.

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.545 or any rule adopted under ORS 475B.010 to 475B.545 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 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 application or renewal;¶¶

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

(d) 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;¶¶

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

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

(g) Has violated any provision of ORS 475B.010 to 475B.545 or any rule adopted under ORS 475B.010 to 475B.545; ~~or~~¶¶

(h) 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)(g) to (h) 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.261, 475B.266

Statutes/Other Implemented: ORS 475B.261, 475B.266, 2017 OL Ch. 21

AMEND: 845-025-5590

RULE SUMMARY: These rules describe the permit suspension or revocation of a marijuana worker.

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) Is convicted of a felony 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, delivers, transfers or makes available a marijuana item to a person under 21 years of age. This section does not apply to sales, deliveries, or transfers to registry identification cardholders who are 18 years of age or older.¶¶

(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: These rules provide the definitions for the packaging and labeling rules in Division 25.

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 or hemp item.¶¶
- (2) "Added substances" 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 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 non-potable solution consisting of 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 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 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) Licensed by the Commission under ORS 475B.070 who produces kief;¶¶

(c) Registered with the Oregon Department of Agriculture under ORS 571.305 who manufactures hemp items;  
or¶¶

(d) 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: These rules describe the labeling requirements when selling marijuana to consumers.

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, or medical marijuana processing site, 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. 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.¶
- (a) 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 by over 10 percent as specified in OAR 333-007-0200 to 333-007-0220, as applicable.¶
- (b) For products tested on or after January 1, 2020, if the potency value for THC or CBD is reported by the laboratory as less than the limit of quantification, the value on the label must be listed as "<LOQ".¶
- (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](http://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 OMP 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: 845-025-7170

RULE SUMMARY: These rules describe prohibited conduct when packaging and labeling marijuana.

CHANGES TO RULE:

845-025-7170

#### Packaging and Labeling Prohibited Conduct

The Commission may impose a civil penalty of up to \$500 per day per violation for any of the following:¶

- (1) Failure to comply with these rules.-¶
- (2) Transferring, selling or offering to sell a marijuana item or industrial hemp commodity or product for ultimate sale to a consumer to another licensee that is not packaged or labeled in accordance with these rules.¶
- (3) Failing to receive package and label approval prior to transferring, selling, or offering for sale a marijuana item or industrial hemp commodity or product that is for ultimate sale to a consumer.-¶
- (4) Transferring, selling, or offering for sale a marijuana item or industrial hemp commodity or product that has not received package or label approval.¶
- (5) Selling or offering to sell a marijuana item or industrial hemp commodity or product under a different label or package than what was approved.-¶
- (6) Selling a marijuana item or industrial hemp commodity or product in a package that is not resealable and continually child-resistant as required by these rules.

Statutory/Other Authority: ORS 475B.605

Statutes/Other Implemented: ORS 475B.605

AMEND: 845-025-7520

RULE SUMMARY: These rules describe the requirements for Unique Identification (UID) tags.

CHANGES TO RULE:

845-025-7520

Unique Identification (UID) Tags ¶¶

(1) A licensee, grow site administrator, person responsible for a marijuana processing site, and person responsible for a dispensary must:¶¶

(a) Use UID tags issued by a Commission-approved vendor that is authorized to provide UID tags for CTS. Each licensee is responsible for the cost of all UID tags and any associated vendor fees.¶¶

(b) Have an adequate supply of UID tags at all times, except that the licensee is not required to have UID tags during the first ten calendar days of licensure so long as UID tags have been ordered and are in transit to the licensee premises.¶¶

(c) Tag Assign and affix a UID tag to individual marijuana plants with a UID tag being cultivated no later than when each plant reaches a height of twenty four inches or when the individual plant has been identified as female, is flowering whichever is sooner.¶¶

(d) Properly tag all other inventory with a UID tag pursuant assign and affix a UID tag to all other marijuana items or receptacles containing marijuana items in a manner that:¶¶

(A) Establishes an accurate chain of custody from one marijuana item to the system requirements of CTS another: and¶¶

(B) Assigns and affixes a new UID tag when marijuana items are added to or placed in a receptacle.¶¶

(e) Place tags in a position that can be clearly read by an individual standing next to the item and the tag must be kept free from dirt and debris.¶¶

(2f) A licensee may only tag and package together identical items for transport to another licensee The requirements of (1)(d) do not apply to producers or grow site administrators in the first 45 days after the harvest of a marijuana plant prior to transfer of the marijuana item.¶¶

(2) A licensee, research certificate holder, laboratory licensee, hemp certificate holder, medical marijuana grow site subject to CTS tracking, or medical marijuana processing site may not combine marijuana items or hemp items of different size, potency, or category under a single UID tag, except for m:¶¶

(a) Mixed lots of usable marijuana, e or usable hemp:¶¶

(b) Pre-rolls of identical unit weight; or¶¶

(c) Cannabinoid concentrates or, extracts, or hemp items that are transferred to a processor licensee or processing site to be processed.

Statutory/Other Authority: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.110, 475B.560

Statutes/Other Implemented: ORS 475B.150

AMEND: 845-025-7570

RULE SUMMARY: These rules describe Seed-To-Sale tracking requirements.

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.¶¶~~

~~(2) A producer~~Immature plants under 24 inches in height at the premises of a producer, grow site subject to tracking in CTS, or research certificate holder must be recorded in CTS as part of a cultivation batch.¶¶

(2) A producer, research certificate holder, or grow site administrator must assign each cultivation batch a unique user-generated batch name and record the batch name and number of immature plants in each cultivation batch in CTS.¶¶

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

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

(5) A producer, research certificate holder, or grow site administrator 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: 845-025-7580

RULE SUMMARY: These rules describe how to reconcile with inventory in CTS.

CHANGES TO RULE:

845-025-7580

### Reconciliation with Inventory ¶¶

~~(1) All licensees must:~~ By 8:00 AM of the next calendar day, all licensees, grow site administrators, medical marijuana processing sites, and medical marijuana dispensaries must:¶¶

~~(a) Use CTS for all inventory tracking activities at a licensed premises, as defined by these rules;~~¶¶

~~(b) Reconcile all on-premises and in-transit marijuana item inventories each day in CTS at the close of business pursuant to system requirements;~~ marijuana item inventories and weights in CTS;¶¶

~~(c) Record all required information for seeds, usable marijuana, cannabinoid concentrates and extracts by weight;~~¶¶

~~(d) Record the wet weight of all~~ each harvested marijuana plants immediately after harvest; and¶¶

~~(e) Record all required information for cannabinoid products by unit count but must also record the weight per unit of a product.~~¶¶

~~(2) Notwithstanding (1)(b), during the first 45 days following the harvest of a marijuana plant, a licensee other than a retailer licensee, a grow site administrator, or a medical marijuana processing site is not required to reconcile the weight of moisture lost to evaporation. The weight of moisture loss must be reconciled prior to any transfer, processing, or packaging, and no later than 45 days after the harvest.~~¶¶

~~(23) The requirements in section (1)(b) and (45) of this rule do not apply during the first ten calendar days of licensure so long as the licensee, grow site administrator, medical marijuana processing site, or medical marijuana dispensary has ordered UID tags and the UID tags are in transit to the licensee-receiving party.~~¶¶

~~(34) The requirements in section (1)(b) of this rule do not apply to marijuana items held by a laboratory licensee that are undergoing analytical testing required by these rules or OAR 333-007-0300 to 333-007-0490 so long as the marijuana items do not leave the laboratory's licensed premises and are reconciled on the same day that the analytical testing concludes.~~¶¶

~~(45) In addition to the requirements in section (1) of this rule, retailers must and medical marijuana dispensaries must record each sale, delivery, or transfer of a marijuana item to a consumer as a sales transaction and record the price before tax and amount of each item sold to consumers and the date of each transaction in CTS for each individual transaction before. A marijuana item transferred the retailer opens the next business day, o a medical marijuana patient or caregiver for no cost must be recorded as a sales transaction with zero price.~~¶¶

~~(56) Information that was not required to be recorded and reconciled daily pursuant to section (2)(3) of this rule must be recorded and reconciled within three calendar days of the licensee's, grow site administrator's, medical marijuana processing site's, or medical marijuana dispensary's receipt of UID tags.~~

Statutory/Other Authority: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.110

Statutes/Other Implemented: ORS 475B.150

AMEND: 845-025-7700

RULE SUMMARY: These rules describe the transportation and delivery requirements of marijuana items.

CHANGES TO RULE:

845-025-7700

### Transportation and Delivery of Marijuana Items ¶¶

(1) ~~Marijuana items may only be transferred between licensees.¶¶~~

(a) Marijuana items transferred between licensed premises may only be transported by a licensee or licensee representative.¶¶

~~(2) An individual authorized to transport marijuana items must have a valid Driver's L or the originating or receiving license.¶¶~~

~~(3b) 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 requirement.¶¶~~  
Notwithstanding (1)(a) of this section, a wholesale licensee or wholesale licensee represents in Oregon;¶¶

~~(B) Capable of securing (locking) the marijuana items during transportation;¶¶~~

~~(C) Equipped with an alarm system; and~~  
ative may transport marijuana items between licensed premises on behalf of a licensee.¶¶

~~(Dc) Capab~~  
Samples of being temperature controlled if perishable marijuana items are being transported.¶¶

~~(e) Using CTS, generate a printed transport manifest that accompanies every transport of marijuana items that contains the following inf~~  
to a laboratory license may only be transported by the labormation:¶¶

~~(A) The name, contact inf~~  
ory licensee or a labormation of aory 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 p~~  
of the receiving laboratory.¶¶

(2) Marijuana items transferred by a licensee to remgises 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 stry identification cardholders, caregivers, and PRMGs.¶¶~~

(a) Marijuana items transferred from a licensed premises to a registry identification cardholder, caregiver, or PRMG may only be transported by the originaure of theing licensee or a licensee's representative accompanying the transport.¶¶

~~(4) A licensee must generate the manifest required by section of the originating licensee.¶¶~~

~~(b) Notwithstanding (32)(ea) 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~~  
section, a licensee may complete a delivery of marijuana items to a registry identification cardholder, caregiver, or PRMG at the licensed premises of the originating premilicensee.¶¶

~~(6c) 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. Nothing in this section is intended to prohibit a retailer licensee from completing a sales transaction to an individual or home delivery of marijuana as otherwise allowed by these rules.

(3) Physical transport requirements for licensees.

(8a) 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. An individual authorized to transport marijuana items on behalf of a licensee must have a valid Driver License.

(9b) 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, within a locked, secured 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 shield marijuana items from view from the exterior of the vehicle.

(c) When transporting perishable marijuana items, a licensee must provide temperature control for perishable marijuana within the transport vehicle while those items are in transit.

(13d) Any vehicle used to transport marijuana items must travel directly from the shipping licensee to the receiving licensee and must not be used by a licensee.

(A) Be equipped with an alarm system; and

(a) Be insured at or above the licensed premises receiving inventory;

(b) Remove the legal requirements in Oregon.

(e) All 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. All overnight stops must be documented.

(15) If the licensee's delivery vehicle is stopped at an unlicensed location the licensee must include the address, estimated arrival time at, and estimated departure time from the location of each overnight stop. 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.105

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

AMEND: 845-025-8520

RULE SUMMARY: These rules describe prohibited conduct.

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 or hemp item to a person under 21 years of age unless the individual holds a valid OMMP patient or designated primary 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.216 before selling or providing a marijuana item or hemp item to that person. Violation of this section is a Category IV violation.¶¶

(3) Access to Premises.¶¶

(a) A licensee, laboratory 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 or laboratory licensee must at all times retain control of, or the right of access to, all or any part of the licensed premises. Except as provided in OAR 845-025-1160(5), failure to retain such control or right of access is a Category I violation and may be grounds for immediate suspension or cancellation of the license.¶¶

(4) Use or Consumption of Intoxicants on Duty and Under the Influence on Duty.¶¶

(a) No licensee, licensee representative, laboratory licensee, laboratory 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, laboratory licensee, laboratory 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, laboratory 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, laboratory 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, laboratory 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 or hemp 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 or hemp items to the consumer.¶

(c) Deliver marijuana or hemp items 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 industrial hemp or a hemp item 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

AMEND: 845-025-8590

RULE SUMMARY: These rules describe suspension and cancellation, civil penalties, and the sanction schedule

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.545 or 475B.560.¶¶

(b) A marijuana worker permit issued under ORS 475B.261.¶¶

(c) A research certificate issued under ORS 475B.286.¶¶

(d) An industrial hemp certificate issued under OAR 845-025-2700 or 845-025-2705.¶¶

(2) Civil Penalties.¶¶

(a) The Commission may impose a civil penalty under ORS 475B.416. 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~~330 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 for each violation of a provision of ORS 475B.600 to 475B.655 or OAR 845-025-7000 to 845-025-7190, a civil penalty of no more than \$500 for each day the violation occurs.¶¶

(3) The Commission uses the following violation categories for licensees licensed under ORS475B.010 to 475B.545:¶¶

(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, permittee, Commission-certified hemp grower, or Commission-certified hemp handler 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, permittee, Commission-certified hemp grower, or Commission-certified hemp handler accepts responsibility. The Commission may, at its discretion, determine that a penalty be mitigated if a violation is self-reported.¶¶

(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, permittee, Commission-certified hemp grower, or Commission-certified hemp handler 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.

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.

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 \$9,900	10 days	30 days	Revoke		
III	10 days or \$3,300	30 days or \$9,900	30 days	Revoke		
IV	7 days or \$2,310	10 days or \$3,300	20 days or \$6,600	30 days	Revoke	
V	3 days or \$990	7 days or \$2,310	10 days or \$3,300	20 days or \$6,600	30 days	Revoke