

OREGON LIQUOR CONTROL COMMISSION
CHAPTER 845
PROPOSED AMENDMENTS

Note: **Bold and underlined** = new text; *~~italics and strikethrough~~* = deleted text

845-025-1015

Definitions

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

(1) "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.

- (2) "Authority" means the Oregon Health Authority.
- (3) "Business day" means Monday through Friday excluding legal holidays.
- (4) "Cannabinoid" means any of the chemical compounds that are the active constituents of marijuana **or industrial hemp**.
- (5) "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.
- (6) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or flowers have been incorporated.
- (7) "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.
- (8) Cannabinoid Product
- (a) "Cannabinoid product" means a cannabinoid edible and any other product intended for human consumption or use, including a product intended to be applied to the skin or hair, that contains cannabinoids or dried marijuana leaves or flowers.

(b) "Cannabinoid product" 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.

(9) "Cannabis Tracking System" or "CTS" means the system for tracking the transfer of marijuana items and other information as authorized by ORS 475B.150.

(10) "Common Ownership" means any commonality between individuals or legal entities named as applicants or persons with a financial interest in a license or business proposed to be licensed.

(11) "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.

(12) "Container" means a sealed, hard or soft-bodied receptacle in which a marijuana item is placed prior to being sold to a consumer.

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

(14) "Commission" means the Oregon Liquor Control Commission.

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

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

(17) "Date of Harvest" means the date the mature marijuana plants in a harvest lot were cut, picked or removed from the soil or other growing media. If the harvest occurred on more than one day, the "date of harvest" is the day the last mature marijuana plant in the harvest lot was cut, picked or removed from the soil or other growing media.

(18) "Designated primary caregiver" has the meaning given that term in ORS 475B.410.

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

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

(20) “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 at a commercially unreasonable rate;

(C) Giving money, real property or personal property to an applicant or licensee for use in the business; or

(D) Being the spouse or domestic partner of an applicant or licensee. For purposes of this subsection, “domestic partners” includes adults who qualify for a “domestic partnership” as defined under ORS 106.310.

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

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

(22) “Hemp Grower” means a person or legal entity that is registered with the Oregon Department of Agriculture to produce industrial hemp.

(23) “Hemp Handler” means a person, or legal entity that is registered with the Oregon Department of Agriculture to process industrial hemp into commodities, products or agricultural hemp seed.

(23) "Harvest lot" means a specifically identified quantity of marijuana that is, cultivated utilizing the same growing practices and harvested within a 48 hour period at the same location and cured under uniform conditions.

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

(25) "Industrial hemp":

(a) Means all nonseed parts and varieties of the Cannabis plant, whether growing or not, that contain an average tetrahydrocannabinol concentration that does not exceed 0.3 percent on a dry weight basis.

(b) Means any Cannabis seed:

(A) That is part of a crop;

(B) That is retained by a 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.

(26) "Industrial hemp concentrate" means an industrial hemp product obtained by separating cannabinoids from industrial hemp by:

(a) A mechanical process;

(b) A chemical extraction process using a nonhydrocarbon-based solvent, such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;

(c) A chemical extraction process using carbon dioxide, provided that the process does not involve the use of high heat or pressure; or

(d) Any other process identified by the State Department of Agriculture by rule.

(27) "Industrial hemp extract" means an industrial hemp product obtained by separating cannabinoids from industrial hemp by:

(a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane or propane;

(b) A chemical extraction process using carbon dioxide, if the process uses high heat or pressure; or

(c) Any other process identified by the State Department of Agriculture by rule.

(24) “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.

(25) “Invited guests” means family member and close associates of the licensee, not members of the general public.

(26) “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.

(27) "Licensee" means any person who holds a license issued under ORS 475B.070, 475B.090, 475B.100, 475B.110, or 475B.560 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.

(28) "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.

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

(30) “Marijuana”

(a) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

(b) “Marijuana” does not include industrial hemp, as defined in ORS 571.300.

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

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

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

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

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

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

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

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

(39) "Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid extract" means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a concentration of tetrahydrocannabinol that is permitted under ORS 475B.625 for consumers who hold a valid registry identification card issued under ORS 475B.415.

(40) "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.

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

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

(43) "Non-profit Dispensary" means a medical marijuana dispensary registered under ORS 475B.450, 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.

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

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

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

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

(48) "Premises" or "licensed premises" includes the following areas of a location licensed under section ORS 475B.070, 475B.090, 475B.100, 475B.110 or 475B.560:

(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.

(49) "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.

(50) "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.

(51) "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.

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

(53) "Produces"

(a) "Produces" means the manufacture, planting, 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 processor, marijuana wholesaler or marijuana retailer if the marijuana processor, marijuana wholesaler or marijuana retailer purchased or otherwise received the plant from a licensed marijuana producer.

(54) "Propagate" means to grow immature marijuana plants or to breed or produce the seeds of the plant Cannabis family Cannabaceae.

(55) "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.

(56) "Regulatory specialist" means a full-time employee of the Commission who is authorized to act as an agent of the Commission in conducting inspections or investigations, making arrests and seizures, aiding in prosecutions for offenses, issuing citations for violations and otherwise enforcing chapter 471, ORS 474.005 to 474.095, 474.115, 475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to 475B.655, Commission rules and any other statutes the Commission considers related to regulating liquor or marijuana.

(57) "Registry identification cardholder" or "patient" has the meaning given that term in ORS 475B.410.

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

(59) "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.

(60) "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.

(61) "Security plan" means a plan as described in OAR 845-025-1030(4)(f) that fully describes how an applicant will comply with applicable laws and rules regarding security.

(62) "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.

(63) "These rules" means OAR 845-025-1000 to 845-025-8590.

(64) "UID" means unique identification.

(65)(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.

(66) "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.

(67) “Wholesaler” means a marijuana wholesaler licensed by the Commission.

Stat. Auth.: ORS 475B.025

Stats. Implemented: ORS 475B.015 & 475B.025

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 or certificate, the following fees must be paid, prorated for an initial license that is issued for six months or less:

(a) Industrial Hemp Certificates: \$1,000

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

(5) If the Commission approves a renewal application the renewal license or certificate fees must be paid in the amounts specified in subsections (2) and (3) of this rule.

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

(7) The Commission shall charge the following fees:

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

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

(c) Packaging preapproval: \$100.

(d) Labeling preapproval: \$100.

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

Stat. Auth.: ORS 475B.025

Stats. Implemented: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.110, 475B.218, 475B.560, 475B.610 & 475B.620, 2016 OL Ch. 24 Sec. 1, & 2016 OL Ch. 83 Sec. 2

845-025-2700

Application for Industrial Hemp Certificate

(1) Industrial hemp growers registered under ORS 571.306 and handlers registered under ORS 571.305 may apply for an industrial hemp certificate to transfer industrial hemp, industrial hemp concentrates and industrial hemp extracts, to a marijuana processor that holds a license issued under ORS 475B.090.

(2) The application must include:

(a) Proof of registration under ORS 571.306 or ORS 571.305;

(b) The license and application fees specified in OAR 845-025-1060;

(c) Any other information identified in the application form.

845-025-2750

Industrial Hemp Certificate Privileges; Prohibitions

(1) An industrial hemp grower registered under ORS 571.306 may deliver industrial hemp, and a handler registered under ORS 571.305 may deliver industrial hemp concentrates and industrial hemp extracts, to a marijuana processor that holds a license issued under ORS 475B.090.

(2) The hemp grower or handler must

(a) Hold an Industrial Hemp Certificate issued by the Commission;

(b) Only deliver to a registered processor that holds an industrial hemp endorsement;

(c) Provide the processor a copy of all testing information required by OAR 603-048-0600 associated with the commodity being transferred.

Stat. Auth.: ORS 475B.025 & 475B.110

Stats. Implemented: ORS 475B.025, 475B.110 & 2016 OL Ch. 24, Sec. 12 & 65

845-025-2800

Retailer Privileges; Prohibitions

(1) A retailer is the only licensee that is authorized to sell a marijuana item to a consumer.

(2) A retailer may:

(a) Between the hours of 7:00 AM and 10:00 PM local time, sell marijuana items from the licensed premises to a consumer 21 years of age or older;

(b) Sell and deliver:

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

(C) Return marijuana items to a producer, processor or wholesaler who transferred the item to the retailer.

(c) Purchase and receive:

(A) Usable marijuana, immature marijuana plants, and seeds from a producer or from a research certificate holder;

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

(C) Any marijuana item, except for whole, non-living marijuana plants, from a wholesaler; and

(D) Any marijuana item from a laboratory.

(d) Refuse to sell marijuana items to a consumer;

(e) Allow a laboratory licensee to obtain samples for purposes of performing testing as provided in these rules and OAR 333-007-0300 to 333-007-0490; and

(f) Accept returned marijuana items that the retailer sold to a consumer and provide a refund or exchange with a product of equal or lesser value.

(3) A retailer may not:

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

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

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

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

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

(E) Five grams of cannabinoid extracts or concentrates, whether sold alone or contained in an inhalant delivery system;

(F) Four immature marijuana plants; and

(G) Ten marijuana seeds.

(b) Provide free marijuana items to a recreational consumer.

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

(d) 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.

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

(f) 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.

(g) Sell an industrial hemp commodity or product that contains cannabinoids and is intended for human consumption, unless that commodity or product has been tested, labeled and packaged in accordance with the applicable sections of these rules. For purposes of this subsection, "consumption" has the meaning given that term in Section 9, Oregon Laws 2016, Chapter 71.

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

(i) Sell or transfer a returned marijuana item to another consumer.

(j) Sell, transfer, deliver, purchase, or receive any marijuana item other than as provided in section (2) of this rule.

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

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

Stat. Auth.: ORS 475B.025 & 475B.110

Stats. Implemented: ORS 475B.025 & 475B.110

845-025-3210

Processor Endorsements

(1) A ~~marijuana~~ processor may only process and sell cannabinoid products, concentrates or extracts if the processor has received an endorsement from the Commission for that type of processing activity. Endorsements types are:

- (a) Cannabinoid edible processor;
- (b) Cannabinoid topical processor;
- (c) Cannabinoid concentrate processor; and
- (d) Cannabinoid extract processor.

(e) Industrial hemp processor

(2) An applicant must request an endorsement upon submission of an initial application but may also request an endorsement at any time following licensure.

(3) In order to apply for an endorsement an applicant or processor licensee must submit a form prescribed by the Commission that includes a description of the type of products to be processed, a description of equipment to be used, and any solvents, gases, chemicals or other compounds proposed to be used to create extracts or concentrates.

(4) Only one application and license fee is required regardless of how many endorsements an applicant or licensee requests or at what time the request is made.

(5) An individual processor licensee may hold multiple endorsements.

(6) For the purposes of endorsements any cannabinoid product that is intended to be consumed or ingested orally or applied in the mouth is considered a cannabinoid edible.

(7) If a processor is no longer going to process the product for which the processor is endorsed the processor must notify the Commission in writing and provide the date on which the processing of that product will cease.

(8) The Commission may deny a processor's request for an 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 approval the processor has a right to a hearing under the procedures of ORS chapter 183.

Stat. Auth.: ORS 475B.025 & 475B.090

Stats. Implemented: ORS 475B.090 & 475B.135

845-025-3215

Processor Privileges; Prohibitions

(1) A processor may:

(a) Transfer, sell or transport:

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

(B) Marijuana **or industrial hemp** waste to a producer, processor, wholesaler, or research certificate holder.

(b) Purchase and receive:

(A) Whole, non-living marijuana **or industrial hemp** plants that have been entirely removed from any growing medium from a producer, wholesaler, or from a research certificate holder;

(B) Usable marijuana from a producer, wholesaler, or from a research certificate holder;

(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) 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 333-007-0490.

(2) A processor may not transfer, sell transport, purchase, or receive any marijuana **or industrial hemp** item other than as provided in section (1) of this rule; and

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

Stat. Auth.: ORS 475B.025 & 475B.090

Stats. Implemented: ORS 475B.025, 475B.090 & Sec. 24, Ch. 23, OL 2016 & Sec. 12 & 65 Ch. 24, OL 2016

845-025-3220

General Processor Requirements

(1) A processor must:

(a) Use equipment, counters and surfaces for processing that are food-grade and do not react adversely with any solvent being used.

(b) Have counters and surface areas that are constructed in a manner that reduce the potential for development of microbials, molds and fungi and that can be easily cleaned.

(c) Maintain the licensed premises in a manner that is free from conditions which may result in contamination and that is suitable to facilitate safe and sanitary operations for product preparation purposes.

(d) Store all marijuana or industrial hemp items not in use in a locked area, including products that require refrigeration in accordance with OAR 845-025-1410.

(e) Assign every process lot a unique identification number and enter this information into CTS.

(3) A processor may not process, transfer or sell a marijuana or industrial hemp item:

(a) That by its shape, design or flavor is likely to appeal to minors, including but not limited to:

(A) Products that are modeled after non-cannabis products primarily consumed by and marketed to children; or

(B) Products in the shape of an animal, vehicle, person or character.

(b) That is made by applying cannabinoid concentrates or extracts to commercially available candy or snack food items.

(c) That contains Dimethyl sulfoxide (DMSO).

(4) A processor may not treat or otherwise adulterate a cannabinoid product, concentrate or extract with any non-cannabinoid additive that would increase potency,

toxicity or addictive potential, or that would create an unsafe combination with other psychoactive substances. Prohibited additives include but are not limited to nicotine, caffeine, chemicals that increase carcinogenicity or cardiac effects.

(5) A processor must maintain records of industrial hemp test results for 2 years.

Stat. Auth.: ORS 475B.025 & 475B.090

Stats. Implemented: ORS 475B.090

845-025-3260

Cannabinoid Concentrate and Extract Processor Requirements

(1) Cannabinoid Concentrates or Extracts. A processor with a cannabinoid concentrate or extract endorsement:

(a) May not use Class I solvents as those are classified in the Federal Drug Administration Guidance, Table I, published in the Federal Register on December 24, 1997 (62 FR 67377).

(b) Must:

(A) Only use a hydrocarbon-based solvent that is at least 99 percent purity.

(B) Only use a non-hydrocarbon-based solvent that is food-grade.

(C) Work in an environment with proper ventilation, controlling all sources of ignition where a flammable atmosphere is or may be present.

(D) Use only potable water and ice made from potable water in processing.

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

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

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

(b) Must:

(A) Process in a:

(i) Fully enclosed room clearly designated on the current diagram of the licensed premises.

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

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

(i) American National Standards Institute (ANSI);

(ii) Underwriters Laboratories (UL); or

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

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

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

(E) For extraction system engineering services, including but not limited to consultation on and design of extraction systems or components of extraction systems, use the services of a professional engineer registered with the Oregon State Board of Examiners for Engineering and Land Surveying, unless an exemption under ORS 672.060 applies.

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

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

(3) Cannabinoid Concentrates. A processor with an endorsement to make cannabinoid concentrates:

(a) May not:

(A) Use denatured alcohol.

(B) If using carbon dioxide, apply high heat or pressure.

(b) Must only use or store dry ice in a well-ventilated room to prevent against the accumulation of dangerous levels of carbon dioxide.

(c) May use:

(A) A mechanical extraction process;

(B) A chemical extraction process using a nonhydrocarbon-based or other solvent, such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol; or

(C) A chemical extraction process using the solvent carbon dioxide, provided that the process does not involve the use heat over 180 degrees (Fahrenheit) or pressure.

845-025-3285

Industrial Hemp Processor Requirements

(1) A processor with an industrial hemp endorsement may:

(a) Receive industrial hemp from a hemp grower who holds an industrial hemp certificate;

(b) Receive industrial hemp concentrates, industrial hemp extracts, industrial hemp commodities or product from a hemp handler who holds an industrial hemp certificate;

(c) Use industrial hemp, industrial hemp concentrates, industrial hemp extracts, industrial hemp commodities or products in the processing of marijuana items.

(d) Transfer industrial hemp concentrates, industrial hemp extracts, industrial hemp commodities or products to marijuana retailers, wholesalers and processors licensed by the Commission.

(2) A processor with an industrial hemp endorsement must track receipt of industrial hemp, industrial hemp concentrates, industrial hemp extracts, industrial hemp commodities or products using the CTS system.

(3) 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, industrial hemp concentrates, industrial

hemp extracts, industrial hemp commodities or products received by a processor with a hemp endorsement unless specifically excluded by these rules.

(4) An pursuant to this section may be delivered by a marijuana processor registered under this section to a licensee as described in ORS 475B.160, provided that the industrial hemp concentrate, industrial hemp extract, industrial hemp commodity or product or marijuana item meets 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 under ORS 475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to 475B.655.

Stat. Auth.: ORS 475B.025 & 475B.090

Stats. Implemented: ORS 475B.090

845-025-8520

Prohibited Conduct

(1) Sale to a Minor. A licensee or permittee may not sell, deliver, transfer or make available any marijuana item to a person under 21 years of age.

(a) Violation of this section for an intentional sale to a minor by a licensee, permittee or license 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 license representative must require a person to produce identification as required by ORS 475B.170 before selling or providing a marijuana item to that person. Violation of this section is a Category IV violation.

(3) Access to Premises.

(a) A licensee or permittee may not:

(A) During regular business hours for the licensed premises, refuse to admit or fail to promptly admit a Commission regulatory specialist who identifies him or herself and who enters or wants to enter a licensed premises to conduct an inspection to ensure compliance with ORS 475B affecting the licensed privileges; or these rules;

(B) Outside of regular business hours or when the premises appear closed, refuse to admit or fail to promptly admit a Commission regulatory specialist who identifies him or herself and requests entry on the basis that there is a reason to believe a violation of ORS 475B affecting the licensed privileges; or these rules is occurring; or

(C) Once a regulatory specialist is on the licensed premises, ask the regulatory specialist to leave until the specialist has had an opportunity to conduct an inspection to ensure compliance with ORS 475B affecting the licensed privileges; or these rules.

(b) Violation of this section is a Category II violation.

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

(a) No licensee, licensee representative, or permittee may consume any intoxicating substances while on duty, except for employees as permitted under OAR 845-025-1230(6)(b). Violation of this subsection is a Category III violation.

(b) No licensee, licensee representative, or permittee may be under the influence of intoxicating substances while on duty. Violation of this subsection is a Category II violation.

(c) Whether a person is paid or scheduled for a work shift is not determinative of whether the person is considered “on duty.”

(d) As used in this section:

(A) “On duty” means:

(i) From the beginning to the end of a work shift for the licensed business, including any and all coffee, rest or meal breaks; or

(ii) Performing any acts on behalf of the licensee or the licensed business outside of a work shift if the individual has the authority to put himself or herself on duty.

(B) “Intoxicants” means any substance that is known to have or does have intoxicating effects, and includes alcohol, marijuana, or any other controlled substances.

(5) Permitting Use of Marijuana at Licensed Premises. A licensee or permittee may not permit the use or consumption of marijuana, or any other intoxicating substance, anywhere in or on the licensed premises, or in surrounding areas under the control of the licensee, except for employees as permitted under OAR 845-025-1230(6)(b). Violation of this section is a Category III violation.

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

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

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

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

(c) As used in this section:

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

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

(d) The Commission does not require a conviction to establish a violation of this section except as required in ORS 475B.045.

(8) Marijuana as a Prize, Premium or Consideration. No licensee or permittee may give or permit the giving of any marijuana item as a prize, premium, or consideration for any lottery, contest, game of chance or skill, exhibition, or any competition of any kind on the licensed premises.

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

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

(a) Sell or deliver any marijuana item through a drive-up window.

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

(c) Deliver marijuana to a consumer off the licensed premises, except that retail licensees may provide delivery as set forth in OAR 845-025-2880.

(d) Violation of this subsection is a Category III violation.

(e) Permit industrial hemp, as defined in ORS 571.300 or product derived from industrial hemp that contains cannabinoids to be present on the licensed premises, except as allowed by OAR 845-025-2800, **845-025-3210 or 845-025-3285**. Violation of this subsection is a Category I violation.

Stat. Auth.: ORS 475B.025, 475B.070, 475B.090, 475B.100 & 475B.110

Stats. Implemented: ORS 475B.070, 475B.090, 475B.100, 475B.110, 475B.185, 475B.270 & 475B.275

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