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NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 845
OREGON LIQUOR CONTROL COMMISSION

FILED
07/31/2018 1:30 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: The rules define medical marijuana registrants' responsibility to use the Cannabis Tracking System.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 08/29/2018 5:00 PM

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

A public rulemaking hearing may be requested in writing by 10 or more people, or by a group with 10 or more members, within 21 days following the publication of the Notice of Proposed Rulemaking in the Oregon Bulletin or 28 days from the date the Notice was sent to people on the agency mailing list, whichever is later. If sufficient hearing requests are received, the notice of the date and time of the rulemaking hearing must be published in the Oregon Bulletin at least 14 days before the hearing.

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NEED FOR THE RULE(S):

Senate Bill 1057, passed during the 2017 legislative session, altered various aspects of the medical marijuana program. Commission staff have been working with the Oregon Health Authority to coordinate rule and process issues, as registered medical growers have begun tracking their grow sites within the Cannabis Tracking System.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

Senate Bill 1057, available from Legislative Council
OLCC rulemaking file, available from OLCC upon request

FISCAL AND ECONOMIC IMPACT:

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

(a) Licensees.

The Commission forecasts that the amendments will have no impact on Recreational Marijuana Licensees, as these rules don't apply to their businesses.

(b) Medical Registrants.

The Commission forecasts that the amendments could have a negative fiscal impact on Medical Registrants, as they will now be required to track their grows more closely in the Cannabis Tracking System. These rules require Medical Registrants to input more data about their operations than was previously required under the Oregon Medical Marijuana Program.

(c) Local Government.

The Commission expects the proposed amendments to have no impact upon local governments, as the rules do not apply to them.

(c) State Agencies.

The Commission expects the proposed rules to have an impact upon both the Commission and the Oregon Health Authority. Both agencies have already engaged in coordinating the roll out of registering Medical Registrants and responding to issues that have arisen. The Commission and OHA will continue to gauge these impacts.

(d) The Public.

The Commission expects the proposed rule to have no impact on the general public.

COST OF COMPLIANCE:

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

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

The Commission expects the proposed rules to have an impact upon both the Commission and the Oregon Health Authority. Both agencies have already engaged in coordinating the roll out of registering Medical Registrants and responding to issues. The Commission and OHA will continue to gauge these impacts.

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

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

As of July, approximately 750 medical growers have registered in the Cannabis Tracking System.

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

Medical Registrants will now be required to track their grows more closely in the Cannabis Tracking System. This will require Medical Registrants to input more data than was previously required under the Oregon Medical Marijuana Program. Further, medical registrants will be required to buy plant tags to track their plants and any other associated fees assessed by the Oregon Health Authority. This is a requirement due to Senate Bill 1057.

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

Medical Registrants will now be required to track their grows more closely in the Cannabis Tracking System. This will require Medical Registrants to input more data than was previously required under the Oregon Medical Marijuana Program. Further, medical registrants will be required to buy plant tags to track their plants and any other associated fees assessed by the Oregon Health Authority. This is a requirement due to Senate Bill 1057.

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

The Commission will be working with various partners to continue honing these rules. Specifically, the Commission will be convening a medical marijuana rules advisory committee later this fall to gauge issues from the initial roll out of the medical registrant program.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

The Commission is currently responding the technical changes made by Senate Bill 1057. These two rules will become a part of a larger medical advisory committee the Commission plans to convene later this fall. The Commission is continuing to amend rules to respond to the changes within the medical market.

RULES PROPOSED:

845-025-2110, 845-025-2120

AMEND: 845-025-2110

RULE SUMMARY: Senate Bill 1057, passed during the 2017 legislative session, altered various aspects of the medical marijuana program. Commission staff have been working with the Oregon Health Authority to coordinate rule and process issues, as registered medical growers will begin tracking their grow sites within the Seed-to-Sale system. This rule defines medical marijuana registrant's responsibility to use the Cannabis Tracking System.

CHANGES TO RULE:

845-025-2110

Medical Marijuana Registrant CTS Registration

~~All PRMG's registered at grow site administrator approved by the Authority for a grow site that is subject to tracking under OAR 333, Division 8 and a processing site or dispensary registered with the Authority under 475B. 435840 or 475B.450858 must no later than July 1, 2018.~~

~~(1) Register for a CTS account in a form and manner specified by the commission;~~

~~(2):¶~~

~~(1) Activate the assigned CTS account within 10 businesscalendar days of notification by the Commission that activation is required; and¶~~

~~(3) Use CTS to track inventory as required by these rules.~~

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ~~2017 OL Ch. 183~~ ORS 475B.895

AMEND: 845-025-2120

RULE SUMMARY: Senate Bill 1057, passed during the 2017 legislative session, altered various aspects of the medical marijuana program. Commission staff have been working with the Oregon Health Authority to coordinate rule and process issues, as registered medical growers will begin tracking their grow sites within the Seed-to-Sale system. The rule sets out the expectations of how a medical registrant is to use the Cannabis Tracking System to track marijuana.

CHANGES TO RULE:

845-025-2120

Medical Registrant CTS Requirements

~~(1) As used in this rule, "medical registrant" means a person responsible for a marijuana grow site as that term is defined in OAR 333-008-0010 and PRMG who is subject to tracking under 2017 OL Ch. 183, Sec. 40 and 41, a marijuana processing site registered under ORS 475B.435 and a medical marijuana dispensary registered under ORS 475B.450. ¶~~

~~(2) A PRMG, as defined in OAR 333-008-0010, who is subject to tracking u 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 2017 Oregon Laws Chapter 183, Sec. 40 and 41 must: days of activating the CTS account; ¶~~

~~(ab) 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 ¶~~

~~(bc) Use CTS to record all transfers of marijuana items to patients, designated primary caregivers, registered medical marijuana dispensaries, and registered medical marijuana processing sites, and to laboratories for testing, documenting; ¶~~

~~(A) The amount of usable marijuana transferred to each patient or designated primary caregiver, the patient or caregiver's OMMP registration 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; and ¶~~

~~(C) The amount of usable marijuana transferred to each medical marijuana registered processing site, the processing site's OMMP registration number and the date of transfer; and ¶~~

~~(3D) A registered medical marijuana processing site must: ¶~~

~~(a) 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 ¶~~

~~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 usable marijuana received from patients, designated primary caregivers or PRMGs and all transfers of medical marijuana items received from registered medical marijuana processing sites, the applicable OMMP number and the date of transfer; and ¶~~

~~(bd) Use CTS to record all transfers of marijuana items to patients, designated primary caregivers, registered medical marijuana dispensaries and, 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 registration 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; and ¶~~

(4D) A registered medical marijuana dispensary must:¶¶

~~(a) The amount of marijuana items transferred to each laboratory for testing, the laboratory's license number, and the date of the 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¶¶

~~(b) 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 registration card number, and the date of the transfer.¶¶~~

(5d) ~~Harvesting. A PRMG that is subject to tracking~~ Use CTS to record all transfers of usable marijuana from patients, designated primary caregivers, or PRMGs and all transfers of medical marijuana items received from registered 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 ~~PRMG~~ 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: ~~2017 OL Ch. 183~~ ORS 475B.895