

OREGON LIQUOR CONTROL COMMISSION
DIVISION 25
RECREATIONAL MARIJUANA

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.
- (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 hydrocarbon-based solvent carbon dioxide, provided that the process does not involve the use of high heat or pressure; or
- (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 hydrocarbon-based solvent carbon dioxide, if the process uses high heat or pressure; or
(c) Any other process identified by the Commission, in consultation with the authority, by rule.

(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, and such interests include but are not limited to:

(a) Receiving, as an employee or agent, out-of-the-ordinary compensation, either in the form of 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.

~~(2149)~~ "Harvest lot" means a specifically identified quantity of marijuana that is uniform in strain, cultivated utilizing the same growing practices and harvested at the same time at the same location and cured under uniform conditions.

~~(220)~~ "Immature marijuana plant" means a marijuana plant that is not flowering.

~~(234)~~ "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.

~~(242)~~ "Invited guests" means family member and close associates of the licensee, not members of the general public.

~~(253)~~ "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.

~~(264)~~ "Licensee" means any person who holds a license issued under ORS 475B.070, 475B.090, 475B.100, 475B.110, or 475B.560.

~~(275)~~ "License holder" includes:

(a) Each applicant listed on an application that the Commission has approved;

(b) Each individual who meets the qualification described in OAR 845-025-1045 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.

~~(286)~~ "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.

~~(297)~~ "Limited access area" means a building, room, or other contiguous area on a licensed premises where a marijuana item is produced, processed, stored, weighed, packaged, labeled, or sold, but does not include a point of sale area on a licensed retailer premises.

~~(3028)~~ "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.

~~(3129)~~ "Marijuana flowers" means the flowers of the plant genus Cannabis within the plant family Cannabaceae.

~~(320)~~ "Marijuana items" means marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts.

~~(334)~~ "Marijuana leaves" means the leaves of the plant genus Cannabis within the plant family Cannabaceae.

~~(342)~~ "Marijuana processor" means a person who processes marijuana items in this state.

~~(353)~~ "Marijuana producer" means a person who produces marijuana in this state.

~~(364)~~ "Marijuana retailer" means a person who sells marijuana items to a consumer in this state.

~~(375)~~ "Marijuana wholesaler" means a person who purchases marijuana items in this state for resale to a person other than a consumer.

~~(386)~~ "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 in a single serving of the cannabinoid product, cannabinoid concentrate or cannabinoid extract 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.

(4137) “Minor” means any person under 21 years of age.

(4238) “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.

(4439) “ORELAP” means the Oregon Environmental Laboratory Accreditation Program administered by the Authority pursuant to ORS 438.605 to 438.620.

(450) “Permittee” means any person who holds a Marijuana Workers Permit.

(464) "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.

(482) “Premises” or “licensed premises” includes the following areas of a location licensed under section ORS 475B.070, ORS 475B.090, ORS 475B.100, ORS 475B.110 or ORS 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.

(493) “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.

(5044) “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.

(5145) "Process lot" means:

(a) Any amount of cannabinoid concentrate or extract of the same type and processed at the same time using the same extraction methods, standard operating procedures and batches from the same harvest lot; or

(b) Any amount of cannabinoid products of the same type and processed at the same time using the same ingredients, standard operating procedures and batches from the same harvest lot or process lots of cannabinoid concentrate or extract.

(5246) “Producer” means a marijuana producer licensed by the Commission.

(5347) “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.

~~(5448)~~ "Propagate" means to grow immature marijuana plants or to breed or produce the seeds of the plant Cannabis family Cannabaceae.

~~(5549)~~ "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.

~~(5650)~~ "Regulatory specialist" means a full-time employee of the Commission who is authorized to act as an agent of the Commission in conducting inspections or investigations, making arrests and seizures, aiding in prosecutions for offenses, issuing citations for violations and otherwise enforcing chapter 471, ORS 474.005 to 474.095, ~~and 474.115, 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.

~~(584)~~ "Retailer" means a marijuana retailer licensed by the Commission.

~~(592)~~ "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.

~~(6053)~~ "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.

~~(6154)~~ "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.

~~(6255)~~ "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.

~~(6356)~~ "These rules" means OAR 845-025-1000 to 845-025-8590.

~~(6457)~~ "UID" means unique identification.

~~(6558)~~(a) "Usable Marijuana" means the dried leaves and flowers of marijuana.

(b) "Usable marijuana" does not include:

(A) The seeds, stalks and roots of marijuana; or

(B) Waste material that is a by-product of producing or processing marijuana.

~~(6659)~~ "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.

~~(670)~~ "Wholesaler" means a marijuana wholesaler licensed by the Commission.

Stat. Auth.: ORS 475B.025

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

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 in section (4) 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) An application must include the names and other required information for all individuals who are applicants as described in OAR 845-025-1045 and who are not applicants but who have a “financial interest” in the business, as defined in OAR 845-025-1015.
- (4) Any individual or legal entity with a financial interest who holds or controls an interest of ten percent or greater in the business proposed to be licensed must be identified as an applicant and must submit the documents described in (5)(a)(A) and (B) of this rule.
- ~~(5) In addition to submitting the application form the following must be submitted~~Applicants must submit the following:
 - ~~(a) For all individual applicants, all general partners in a limited partnership, limited partners whose investment commitment is ten percent or more of the total investment commitment, all members in a limited liability company or partnership whose investment commitment or membership interest is ten percent or greater, all directors who own or control three percent or more of the voting stock, principal officers of corporate applicants, and all natural person stockholders owning or controlling ten percent or more of the voting stock of corporate entity~~For an individual listed as an applicant:
 - (A) Information or fingerprints for 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; and
 - ~~(C) Proof of residency documented by providing:~~
 - ~~(i) Oregon full year resident tax returns for the last two years; or~~
 - ~~(ii) Utility bills, rental receipts, mortgage statements or similar documents that contain the name and address of the applicant dated at least two years prior to the date of application and from the most recent month.~~
 - ~~(b) For an individual listed as a person with a financial interest who holds or controls an interest of ten percent or greater in the business proposed to be licensed, or an individual who is a partner, member or corporate officer of a legal entity with a financial interest in the business proposed to be licensed:~~
 - ~~(A) Information or fingerprints for 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; and~~

(~~be~~) 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 lot or parcel as the licensed premises;

(~~ce~~) 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;

(~~de~~) Proof of right to occupy the premises proposed for licensure;

(~~ef~~) 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.

(~~fg~~) 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 and renewal, 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) In addition to requirements of section (4)(~~fg~~)(B)(i), 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:

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

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

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

(h) For processors:

(A) On a form prescribed by the Commission, the proposed endorsements as described in OAR 845-025-3210.

(B) A description of the type of products to be processed, a description of equipment to be used, including any solvents, gases, chemicals or other compounds used to create extracts or concentrates.

(5) In addition to submitting the application form and the items described in (4) 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;

(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;

(B) Any forms required by the Commission and any information identified in the form that is required to be submitted; and

~~and~~(c) Any additional information if there is a reason to believe that the information is needed to determine the merits of the license application.

(6) The Commission must review an application to determine if it is complete. An application will be considered incomplete if an application form is not complete, the full application fee has not been paid, or some or all of the additional information required under sections (4) and (5) of this rule is not submitted.

(7) 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.

(8) 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.

(9) Failure to comply with subsection (6) of this rule may result in an application being denied.

Stat. Auth.: ORS 475B.025

Stats. Implemented: ORS 475B.040, ORS 475B.045, ORS 475B.060, ORS 475B.070, ORS 475B.090, ORS 475B.100, ORS 475B.110, ORS 475B.560.

845-025-1045

Qualifications of an Applicant

(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 or an undisclosed 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.

~~(1) The following are considered applicants for purposes of these rules:~~

~~(a) Any individual that has a financial interest in the business for which licensure is sought and who is directly involved in controlling the ordinary course of business for the business that is proposed to be licensed; and~~

~~(b) Any legal entity that has a financial interest in the business for which licensure is sought and is directly involved in controlling the ordinary course of business for the business that is proposed to be licensed;~~

~~(2) If an applicant is an individual the individual must also:~~

~~(a) Be at least 21 years of age; and~~

~~(b) Until January 1, 2020, have been a resident of Oregon for at least two consecutive years prior to the date the initial or renewal application was submitted.~~

~~(3) If a legal entity is designated as an applicant, the following individuals must also be listed as applicants on an application:~~

~~(a) All partners in a limited partnership;~~

~~(b) All members of a limited liability company; and~~

~~(c) All directors and principal officers of a corporate entity.~~

~~(d) Any individual who owns or controls at least 10% of the legal entity.~~

~~(4) At least one applicant or the sum of applicants listed on a license application must be a legitimate owner of the business proposed to be licensed or subject to renewal.~~

~~(5) An individual or legal entity will not be considered by the Commission to be directly involved in the ordinary course of business for the business proposed to be licensed solely by virtue of:~~

~~(a) Being a shareholder, director, member or limited partner;~~

~~(b) Being an employee or independent contractor; or~~

~~(c) Participating in matters that are not in the ordinary course of business such as amending organizational documents of the business entity, making distributions, changing the entity’s corporate structure, or approving transactions outside of the ordinary course of business as specified in the entity’s organizational documents.~~

~~(6) An applicant will be considered by the Commission to be a legitimate owner of the business if:~~

~~(a) The individual applicant or legal entity applicant owns at least 51% of the business proposed to be licensed; or~~

- ~~(b) One or more individual applicants in sum own at least 51% of the business proposed to be licensed.~~
- ~~(7) The following factors, in and of themselves, do not constitute ownership:~~
- ~~(a) Preferential rights to distributions based on return of capital contribution;~~
- ~~(b) Options to purchase an ownership interest that may be exercised in the future;~~
- ~~(c) Convertible promissory notes; or~~
- ~~(d) Security interests in an ownership interest.~~
- ~~(8) For purposes of this rule, "ownership" means direct or indirect ownership of the shares, membership interests, or other ownership interests of the business proposed to be licensed.~~
- ~~(9) The Commission may consider factors other than those listed in this rule when determining whether an individual or legal entity is directly involved in the operation or management of the business proposed to be licensed or licensed, or is a legitimate owner.~~
- ~~(10) An individual listed as an applicant on an initial or renewal application, or identified by the Commission as an applicant must maintain Oregon residency while the business is licensed.~~

Stat. Auth.: ORS 475B.025

Stats. Implemented: ORS 475B.045, ORS 475B.070, ORS 475B.090, ORS 475B.100, ORS 475B.110, ORS 475B.560

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
- (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) Change of ownership review: \$1000 per license
- (c) Change in business structure review: \$1000 per license
- (d) Transfer of location of premises review: \$1000 per license
- (e) Packaging preapproval: \$100
- (f) Labeling preapproval: \$100
- (g) Change to previously approved package or label: \$25

Stat. Auth.: ORS 475B.025

Stats. Implemented: ORS 475B.025, ORS 475B.070, ORS 475B.090, ORS 475B.100, ORS 475B.110, ORS 475B.218, ORS 475B.560, ORS 475B.610, ORS 475B.620

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, ~~request 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.; ~~or request verification that a land use compatibility statement submitted by an applicant is valid and accurate~~

(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

(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.

~~(43)~~ The Commission must inspect the proposed premises prior to issuing a license.

~~(54)~~ 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 15 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 15-day time limit in subsection (a) of this section, not to exceed 30 days.

~~(65)~~ 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.

~~(76)~~ If the plan of correction appears, on its face, to correct the deficiencies, the Commission will schedule another inspection.

~~(87)~~ 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.

Stat. Auth.: ORS 475B.025

Stats. Implemented: ORS 475B.045, ORS 475B.285, ORS 475B.063

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, or, until January 1, 2020, has not been a resident of Oregon for at least two years. If the Commission determines that an applicant is a non-resident the Commission will hold that application under review until 30 days after the 2016 Oregon Legislature adjourns.~~

(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.

~~(d) The proposed licensed premises of a producer applicant who has applied to produce marijuana outdoors is:~~

~~(A) On public land; or~~

~~(B) On the same lot or parcel, as defined in ORS 92.010, as another producer licensee; or under common ownership; or~~

~~(C) On the same lot or parcel, as defined in ORS 92.010, as a retail, processor or wholesale license, unless all of the licenses on the lot or parcel are held or sought by the same applicant.~~

~~(d) The proposed licensed premises of a producer applicant who has applied to produce marijuana indoors is on the same lot or parcel, as defined in ORS 92.010, as another producer licensee under common ownership.~~

(d) The proposed licensed premises of a producer is located on the same lot or parcel, as those terms are defined in ORS 92.010, 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.

(e) The proposed licensed premises of a processor who has applied for an endorsement to process extracts is located in an area that is zoned exclusively for residential use.

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

(A) Except as provided in Oregon Laws 2016, chapter 83, section 29b, wWithin 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.

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

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

(2) The Commission may deny an initial or renewal application, unless the applicant shows good cause to overcome the denial criteria, if it has reasonable cause to believe that:

(a) The applicant:

(A) Is in the habit of using alcoholic beverages, habit-forming drugs, marijuana, or controlled substances to excess.

(B) Has made false statements to the Commission.

(C) Is incompetent or physically unable to carry on the management of the establishment proposed to be licensed.

(D) Is not of good repute and moral character.

(E) Does not have a good record of compliance with ORS 475B.010 to 475B.395, 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.275;

(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.340, pending or adjudicated by the local government that adopted the ordinance.

(F) Is not possessed of or has not demonstrated financial responsibility sufficient to adequately meet the requirements of the business proposed to be licensed.

(G) Is unable to understand the laws of this state relating to marijuana or these rules, including but not limited to ORS 475.300 to 475.346 and ORS 475B.550 to 475B.590. Inability to understand laws and rules of this state related to marijuana may be demonstrated by violations documented by the Oregon Health Authority.

(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).

(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 lot or parcel, as those terms are defined in ORS 92.010, as another producer licensee under common ownership.

(f) The proposed licensed premises of a producer applicant is on the same lot or parcel, as those terms are defined in ORS 92.010, as another producer licensee under diverse ownership if the Commission reasonably believes that the presence of multiple producers on the same lot or parcel creates a compliance risk or other risk to public health and safety.

(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) 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.

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

845-025-2020

Producer Privileges; Prohibitions

(1) A producer may:

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

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

(c) Sell or transport:

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

(d) Purchase and receive:

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

(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.

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

(2) A producer may not sell, deliver, purchase, or receive any marijuana item other than as provided in section (1) of this rule.

(3) No industrial hemp may be present on a producer's licensed premises. Violation of this section is a Category I violation.

Stat. Auth.: ORS 475B.025, ORS 475B.070, ORS 475B.075 Stats. Implemented: ORS 475B.025, ORS 475B.070, ORS 475B.075

845-025-2030

Licensed Premises of Producer

(1) The licensed premises of a producer ~~authorized to cultivate marijuana indoors~~ includes all public and private ~~enclosed~~ areas used in the business operated at the location ~~and any areas outside of a building that the Commission has licensed.~~

~~(2) The licensed premises of a producer authorized to cultivate marijuana outdoors includes the entire lot or parcel, as defined in ORS 92.010, that the licensee owns, leases or has the right to occupy.~~

~~(3) A producer may not engage in any privileges of the license within a residence.~~

~~(4) The licensed premises of a producer may not be located at the same physical location or address as a marijuana grow site registered under ORS 475B.420.~~

Stat. Auth.: ORS 475B.025, ORS 475B.070

Stats. Implemented: ORS 475B.070, ORS 475B.080

845-025-2060

Start-up Inventory

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

(a) Between January 1, 2016 and December 31, 2017 a marijuana producer may receive immature marijuana plants and seeds from any source within Oregon for up to 90 days following initial licensure by the Commission.

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

- (2) The marijuana producer shall, through CTS, report receipt of the number of immature marijuana plants or seeds received under this section within 24 hours of the plants or seeds arriving at the licensed premises. A producer does not have to document the source of the immature plants or seeds during the 90 day start-up period.
- (3) The requirements in section (2) of this rule do not apply during the first ten calendar days of licensure so long as the licensee has ordered UID tags and the UID tags are in transit to the licensee.
- (4) Failure to comply with this rule is a Category I violation and could result in license revocation.

Stat. Auth.: ORS 475B.025, ORS 475B.070

Stats. Implemented: ORS 475B.070, ORS 475B.023

845-025-2100

Transfer of Medical Marijuana Grower Inventory

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

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

(b) The number of patients each PRMG is producing marijuana for at the grow site address that is the proposed premises to be licensed.

(c) Copies of all personal agreements entered into under ORS 475B.425 that specify whether a patient has authorized the transfer of marijuana plants or usable marijuana to the Commission license and if so, how much may be transferred.

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

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

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

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

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

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

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

- (a) The number of marijuana plants and amount of usable marijuana that is permitted to be transferred will be based on the number of patients whose registration status has been verified by the Authority in accordance with section (2) of this rule and who have authorized the transfer of marijuana items to the Commission license.
- (b) There is no limit on seeds or immature plants that may be transferred to the Commission license, subject to subsection (a) of this section.
- (c) No more than six mature plants per patient may be transferred to the Commission license, subject to subsection (a) of this section.
- (c) No more than 24 ounces of usable marijuana per patient may be transferred to the Commission license, subject to subsection (a) of this section.
- (d) Any seeds, marijuana plants or usable marijuana that exceed the amount permitted by the Commission to be transferred must be removed from the premises by the applicant prior to the initial date of licensure and lawfully transferred or disposed of.
- (5) The licensee must notify the Commission once the marijuana plants and usable marijuana are entered into CTS and the Commission may inspect the premises to verify the information the licensee entered into CTS.
- (6) Once the transfer of inventory under this section is complete the Commission must notify the Authority that the grow site address is now a licensed premises and that the licensed premises may not be registered as a grow site address under ORS 475B.420.
- (7) The Commission may deny a transfer request if it cannot verify the information in the request or if the applicant submits incomplete information to the Commission.
- (8) Any usable marijuana transferred from a medical marijuana grow site to the licensed premises under this rule must be tested, labeled and packaged, in accordance with OAR 845-025-7000 to 845-025-7060 and 845-025-5700 as applicable, before transferring the usable marijuana to another licensee.

MEDICAL MARIJUANA OPT-IN

845-025-2400

Medical Marijuana Grow Site Opt-In

~~(1) For purposes of this rule:~~

~~(a) "Grower" means a person responsible for a marijuana grow site as that term is defined in OAR 333-008-0010.~~

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

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

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

~~(3) In addition to the requirements of OAR 845-025-1030, the applicants must provide proof that each patient for whom the applicants are producing marijuana at the grow site proposed to be licensed has granted permission for the applicants to apply for a license and sell excess usable marijuana and immature plants to licensees of the Commission.~~

~~(4) If the Commission approves the application and issues a producer license, the licensees may not possess more than the amount of usable marijuana or marijuana plants permitted under ORS 475B.400 to 475B.525 unless the licensed premises ceases to be registered as a grow site with the Oregon Health Authority (OHA).~~

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

~~(6) A licensee licensed under this rule must record in CTS within five days of initial licensure, all mature and immature marijuana plants and usable marijuana on the licensed premises.~~

~~(7) A producer, licensed under this rule:~~

~~(a) Is subject to these rules with the exception of OAR 845-025-2060;~~

~~(b) Must comply with the duties, functions and powers of a grower under ORS 475B.400 to 475B.525 and any rule adopted thereunder, except that a grower is not subject to OHA's requirements related to the reporting or tracking of mature marijuana plants and usable marijuana;~~

~~(c) May sell usable marijuana or immature plants in excess of amounts produced for a patient, to other licensees, in accordance with these rules; and~~

~~(d) May, notwithstanding ORS 475B.160, transfer marijuana and usable marijuana to other registrants under ORS 475B.400 to 475B.525 in accordance with any rules adopted by the OHA.~~

~~Stat. Auth.: ORS 475B.080~~

~~Stats. Implemented: ORS 475B.080~~

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 research certificate holder;

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

(C) Any marijuana item from a wholesaler;

(D) Any marijuana item from a laboratory; and

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

(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.

(3) A retailer may not:

(a) Sell more than the following amounts to a consumer 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 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;
- (E) Four immature marijuana plants; and
- (F) Ten marijuana seeds.
- (b) Provide free marijuana items to a 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 any product derived from industrial hemp, as that is defined in ORS 571.300, that is intended for human consumption, ingestion, or inhalation, unless it has been tested, labeled and packaged in accordance with the applicable sections of these rules.
- (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 license representative's skin.
- (i) Sell, transfer, deliver, purchase, or receive any marijuana item other than as provided in section (2) of this rule.

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

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

845-025-2840

Retailer Premises

- (1) The licensed premises of a retailer:
 - (a) May not be located in an area that is zoned exclusively for residential use.
 - (b) Except as provided in Oregon Laws 2016, chapter 83, section 29b, ~~May~~ may not be located within 1,000 feet:
 - (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.
 - (c) Must be enclosed on all sides by permanent walls and doors.
- (2) A retailer must post in a prominent place signs at every:
 - (a) Point of sale that read:
 - (A) "No Minors Permitted Anywhere on the Premises"; and
 - (B) "No On-Site Consumption".
 - (b) Exit from the licensed premises that reads: "Marijuana or Marijuana Infused Products May Not Be Consumed In Public".
- (3) A retailer must designate a consumer sales area on the licensed premises where consumers are permitted. The area shall include the portion of the premises where marijuana items are displayed for sale to the consumer and sold and may include other contiguous areas such as a

lobby or a restroom. The consumer sales area is the sole area of the licensed premises where consumers are permitted.

(4) All inventory must be stored on the licensed premises.

(5) For purposes of determining the distance between a retailer and a school referenced in subsection (1)(b) of this rule, "within 1,000 feet" means a straight line measurement in a radius extending for 1,000 feet or less in any direction from the closest point anywhere on the boundary line of the real property comprising a school to the closest point of the licensed premises of a retailer. If any portion of the licensed premises is within 1,000 feet of a school as described subsection (1)(b) of this rule an applicant will not be licensed.

Stat. Auth.: ORS 475B.025, ORS 475B.110 Stats. Implemented: ORS 475B.160, ORS 475B.110

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 register in a form and manner specified by the commission.

(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) May 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, may 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 has 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) Verify 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, prior to the sale or transfer of a marijuana item as described in section (2) of this rule.

(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) Violation of this rule is a category III violation.

845-025-2910

Transfer of Medical Marijuana Dispensary Inventory

(1) For purposes of this rule:

(a) "Medical marijuana dispensary" means a medical marijuana dispensary registered under ORS 475B.450.

(b) "Person responsible for the medical marijuana dispensary" or "PRD" has the meaning given that term in OAR 333-008-1010.

(c) "Primary PRD" has the meaning given that term in OAR 333-008-1010.

(2) An applicant for a retail license under ORS 475B.110 that is also an owner of a medical marijuana dispensary may submit a transfer request to the Commission, on a form prescribed by the Commission, to transition from being registered with the Authority to being licensed by the Commission. The request must include, at a minimum, the following information:

(a) The name of the marijuana dispensary, [dispensary](#) address, and Authority issued registration number for the medical marijuana dispensary;

(b) The name and contact information of the owner of the medical marijuana dispensary;

(c) The names and contact information for each PRD;

(d) Identification of the primary PRD.

(e) An authorization that permits the Authority to disclose to the Commission any information necessary to verify the information submitted in the request.

(f) The amount and type of marijuana items proposed to be transferred.

(3) Upon receiving a request under section (2) of this rule the Commission must verify with the Authority:

(a) The registration status of the medical marijuana dispensary; and

(b) The ownership of the dispensary and the identification of each PRD and the primary PRD;

(4) A transfer request will be denied if an applicant has not complied with this rule or if a license is denied under OAR 845-025-1115.

(5) The Commission may inspect the marijuana items proposed for transfer to determine if they:

(a) Have been packaged, labeled and tested in accordance with OAR 845-025-7000 to 845-025-7060 and 845-025-5700; and

(b) Meet the applicable concentration limits in OAR 333-007-0210 or 333-007-0220.

(6) If the information in the transfer request is verified by the Authority and the Commission approves a license application under ORS 475B.090, the Commission must notify the applicant of the amount and type of marijuana items permitted to be transferred.

(a) The Commission will deny the request to transfer any marijuana item that:

(A) Was not identified in the request to transfer;

(B) Was not in the dispensary's inventory at the time of the request to transfer; and

(C) Does not comply with the applicable packaging, labeling and testing rules in OAR 845-025-7000 to 845-025-7060 and 845-025-5700.

(b) The Commission may not permit the transfer of a cannabinoid concentrate, extract or product that exceeds the concentration limits established for retail adult use under OAR 333-007-0210 unless the licensee has been registered to sell medical grade cannabinoid concentrates, extracts or products.

(c) Any marijuana items that have not been approved for transfer must be lawfully disposed of and removed from the premises prior to the initial date of licensure.

(7) Information regarding the seeds, immature plants, usable marijuana, cannabinoid concentrates, extracts or products transferred must be recorded in CTS within ten calendar days of licensure.

(8) The licensee must notify the Commission once the seeds, immature plants, usable marijuana, cannabinoid concentrates, extracts or products are entered into CTS and the Commission may inspect the premises to verify the information the licensee entered into CTS.

(9) Once the transfer of inventory under this section is complete the Commission must notify the Authority that the medical marijuana dispensary is now a licensed premises and that the licensed premises may not be registered as a medical marijuana dispensary address under ORS 475B.450.

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

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 waste to a producer, processor, wholesaler, or research certificate holder.

(b) Purchase and receive:

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

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

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

(D) Marijuana 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 item other than as provided in section (1) of this rule.

Stats. Implemented: ORS 475B.025, ORS 475B.090

845-025-3300

Processing Marijuana for Medical Purposes

(1) In order to process marijuana items for medical purposes a marijuana processor licensed under ORS 475B.090 must register with the commission in a form and manner specified by the commission.

(2) A marijuana processor licensed under ORS 475B.090 who has registered with the commission to process marijuana items for medical purposes:

(a) May:

(A) Process medical grade cannabinoid products, concentrates or extracts; and

(B) Sell medical grade cannabinoid products, concentrates or extracts to wholesalers, processors and retailers who have registered to sell or process marijuana for medical purposes.

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

845-025-3310

Transfer of Medical Marijuana Processing Site Inventory

(1) For purposes of this rule:

(a) "Marijuana processing site" means a marijuana processing site registered under ORS 475B.435.

(b) "Person responsible for the marijuana processing site" or "PRP" has the meaning given that term in OAR 333-008-0160.

(c) "Primary PRP" has the meaning given that term in OAR 333-008-0160.

(2) An applicant for a processor license under ORS 475B.090 that is also an owner of a marijuana processing site may submit a transfer request to the Commission, on a form prescribed by the Commission, to transition from being registered with the Authority to being licensed by the Commission. The request must include, at a minimum, the following information:

(a) The name of the marijuana processing site, address, and Authority issued registration number for the marijuana processing site;

(b) The name and contact information of the owner of the marijuana processing site;

(c) The names and contact information for each PRP;

(d) Identification of the primary PRP.

(e) The endorsements of the marijuana processing site.

(f) An authorization that permits the Authority to disclose to the Commission any information necessary to verify the information submitted in the request.

(g) The amount and types of marijuana items proposed to be transferred.

- (3) Upon receiving a request under section (2) of this rule the Commission must verify with the Authority:
- (a) The registration status of the marijuana processing site; and
- (b) The ownership of the processing site and the identification of each PRP and the primary PRP;
- (4) A transfer request will be denied if an applicant has not complied with this rule or if a license is denied under OAR 845-025-1115.
- (5) If the information in the transfer request is verified by the Authority and the Commission approves a license application under ORS 475B.090, the Commission must notify the applicant of the amount and type of marijuana items permitted to be transferred.
- (a) The Commission may not permit the transfer of a marijuana cannabinoid product, ~~or~~ ~~cannabinoid~~ concentrate or extract packaged for ultimate sale to the consumer that exceeds the concentration limits established for retail adult use under OAR 333-007-0210 unless the licensee has been registered to process medical grade cannabinoid concentrates, extracts or products.
- (b) Prior to licensure the marijuana processing site must return any marijuana item that is the lawful property of a patient.
- (c) Any marijuana items that have not been approved by the Commission for transfer or returned to a patient as described in section (5)(b) of this rule must be removed from the premises by the applicant prior to the initial date of licensure and lawfully transferred or disposed of.
- (6) Information regarding the usable marijuana, cannabinoid concentrates, extracts or products transferred must be recorded in CTS within ten calendar days of licensure.
- (7) The licensee must notify the Commission once the usable marijuana, cannabinoid concentrates, extracts or products are entered into CTS and the Commission may inspect the premises to verify the information the licensee entered into CTS.
- (8) Once the transfer of inventory under this section is complete the Commission must notify the Authority that the marijuana processing site is now a licensed premises and that the licensed premises may not be registered as a marijuana processing site address under ORS 475B.435.
- (9) The Commission may deny a transfer request if:
- (a) It cannot verify the information in the request or the applicant submitted incomplete information to the Commission; or
- (b) The processor has not been granted an endorsement for the type of marijuana item requested for transfer.
- (10) Any usable marijuana, cannabinoid concentrates, extracts or products transferred from a medical marijuana processing site to the licensed premises under this rule must be:
- (a) Tested in accordance with OAR 845-025-5700 before being used or transferred; and
- (b) Labeled and packaged in accordance with OAR 845-025-7000 to 845-025-7060 before being transferred to another licensee.

845-025-3500

Wholesale License Privileges; Prohibitions

- (1) A wholesale licensee may:
- (a) Sell, including sale by auction, transfer and transport:
- (A) Any type of marijuana item to a retailer, wholesaler, non-profit dispensary or research certificate holder;
- (B) Immature marijuana plants and seeds to a producer;

- (C) Usable marijuana to a producer license that the wholesale license has stored on the producer's behalf;
 - (D) Usable marijuana, cannabinoid extracts and concentrates to a processor licensee; and
 - (E) Marijuana waste to a producer or processor or research certificate holder.
- (b) Purchase or receive:
- (A) Any type of marijuana item from a wholesaler.
 - (B) Cannabinoid concentrates, extracts, and products from a processor with an endorsement to manufacture the type of product received;
 - (C) Seeds, immature plants or usable marijuana from a producer;
 - (D) Whole, non-living marijuana plants that have been entirely removed from any growing medium from a producer; and
 - (E) Marijuana waste from a producer, processor, wholesaler, retailer, laboratory, or research certificate holder.
- (c) Transport and store marijuana items on behalf of other licensees, pursuant to the requirements of OAR 845-025-7500 to OAR 845-025-7590.
- (d) Allow a laboratory licensee to obtain samples for purposes of performing testing as provided in these rules and OAR 333-007-0300 to 333-007-0490.
- (2) A wholesale licensee may not sell, deliver, purchase, or receive any marijuana item other than as provided in section (1) of this rule.
- (3) For purposes of this rule, "marijuana item" does not include a mature marijuana plant.

Stat. Auth.: ORS 475B.025, ORS 475B.100

Stats. Implemented: ORS 475B.100, ORS 475B.400

845-025-3510

Micro-Wholesaler License Privileges

A micro-wholesale licensee has all the license privileges in OAR 845-025-3500 except that the licensee may only receive marijuana items from a producer with a micro tier I or tier II canopy.

845-025-3600

Wholesaling Marijuana for Medical Purposes

(1) In order to sell marijuana at wholesale for medical purposes a marijuana wholesaler licensed under ORS 475B.100 must register with the commission in a form and manner specified by the commission.

(2) A marijuana wholesaler licensed under ORS 475B.100 who has registered with the commission to wholesale marijuana items for medical purposes:

(a) May:

(A) Receive or purchase medical grade cannabinoid products, concentrates or extracts from processors that have registered to process marijuana items for medical purposes; and

(B) Sell or transfer medical grade cannabinoid products, concentrates or extracts to wholesalers, processors and retailers who have registered to sell or process marijuana for medical purposes.

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

845-025-5000

Laboratory License Privileges; Requirements

(1) A licensed marijuana testing laboratory may:

(a) Obtain samples of marijuana items from licensees or registrants for the purposes of testing as provided in these rules and OAR 333-007-0300 to 333-007-0490 if the laboratory has an accredited scope item for sampling;

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

(c) Perform testing on marijuana items in a manner consistent with the laboratory's accreditation by the Authority, these rules, OAR 333-007-0300 to 333-007-0490, and OAR 333, Division 64; and

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

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

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

(4) Nothing in these rules prohibits a laboratory licensee from testing industrial hemp or industrial hemp commodities and products in accordance with Oregon Laws 2016, chapter 71, section 9.

Stat. Auth.: ORS 475B.560

Stats. Implemented: ORS 475B.560

845-025-5300

Application for Marijuana Research Certificate

(1) The Commission shall issue Marijuana Research Certificates to qualifying public and private researchers who present research proposals that demonstrate:

(a) The proposed research would benefit the state's cannabis industry, medical research or public health and safety; and

(b) The proposed operation and methodology complies with all applicable laws and administrative rules governing marijuana licensees and licensee representatives.

(2) The process for applying for, receiving and renewing a certificate shall be the same as the process for applying for, receiving and renewing a marijuana license under OAR 845-025-1030 to 845-025-1115 except that an applicant for a Marijuana Research Certificate is not subject to the residency requirements in OAR 845-025-1045(2)(b).

(3) In addition to the application requirements in OAR-025-1030 the applicant must also provide:

- (a) A clear description of the research proposal;
- (b) A description of the researchers' expertise in the scientific substance and methods of the proposed research;
- (c) An explanation of the scientific merit of the research plan, including a clear statement of the overall benefit of the applicant's proposed research to Oregon's cannabis industry, medical research, or to public health and safety;
- (d) Descriptions of key personnel, including clinicians, scientists, or epidemiologists and support personnel who would be involved in the research, demonstrating they are adequately trained to conduct this research;
- (e) A clear statement of the applicant's access to funding and the estimated cost of the proposed research;
- (f) A disclosure of any specific conflicts of interest that the researcher or other key personnel have regarding the research proposal;
- (g) A description of the research methods demonstrating an unbiased approach to the proposed research;
- (h) A description of the quantities of marijuana items, if any, that are proposed be transferred to licensees; and

(ih) If the applicant intends to research the use of pesticides, an experimental use permit issued by Oregon Department of Agriculture pursuant to OAR 603-057-0160.

(4) Research certificates will be granted for up to a three-year term.

(5) The Commission may request that the research certificate holder submit information and fingerprints required for a criminal background check at any time within the research certificate term.

(6) A certificate holder may, in writing, request that the Commission waive one or more of these rules. The request must include the following information:

- (a) The specific rule and subsection of a rule that is requested to be waived;
- (b) The reason for the waiver;
- (c) A description of an alternative safeguard the licensee can put in place in lieu of the requirement that is the subject of the waiver, or why such a safeguard is not necessary; and
- (d) An explanation of how and why the alternative safeguard or waiver of the rule protects public health and safety, prevents diversion of marijuana, and provides for accountability.

(7) The Commission may, in its discretion, and on a case-by-case basis, grant the waiver in whole or in part if it finds:

- (a) The reason the certificate holder is requesting the waiver is because another state or local law prohibits compliance; or
- (b) The certificate holder cannot comply with the particular rule, for reasons beyond the certificate holder's control or compliance with the rule is cost prohibitive; or
- (c) Because of the nature of the research, the Commission finds that compliance with a particular rule is not necessary and that even with the waiver public health and safety can be protected, there is no increased opportunity for diversion of marijuana, and the certificate holder remains accountable.

(8) The Commission must notify the certificate holder in writing whether the request has been approved. If the request is approved the notice must specifically describe any alternate

safeguards that are required and, if the waiver is time limited, must state the time period the waiver is in effect.

(9) The Commission may withdraw approval of the waiver at any time upon a finding that the previously approved waiver is not protecting public health and safety or the research certificate holder has other issues with compliance. If the Commission withdraws its approval of the waiver the certificate holder will be given a reasonable period of time to come into compliance with the requirement that was waived.

Stat. Auth.: ORS 475B.235

Stats. Implemented: ORS 475B.235

845-025-5350.

Marijuana Research Certificate Privileges; Prohibitions

(1) A certificate holder may receive marijuana items from a licensee or a registrant under ORS 475B.400 to 475B.525.

(2) ~~(a)~~ A certificate holder:

~~(a)~~ ~~May not:~~

~~(A)~~ ~~Sell~~ or otherwise transfer marijuana items to any other person except when disposing of waste pursuant to OAR 845-025-7750, ~~or~~ transferring to another certificate holder or transferring to another licensee.

~~(Bb)~~ ~~May not~~ Transfer more to another licensee than is permitted in the Commission's order granting the research certificate.

~~(be)~~ Must comply with the testing rules in OAR 333-007-0300 to 333-007-0490 applicable to a producer or processor prior to transferring marijuana items to a licensee.

(3) A certificate holder may not conduct any human subject research related to marijuana unless the certificate holder has received approval from an institutional review board that has adopted the Common Rule, 45 CFR Part 46.

(4) All administrative rules adopted by Commission for the purpose of administering and enforcing ORS Chapter; and any rules adopted thereunder with respect to licensees and licensee representatives apply to certificate holders except for those which are inconsistent with this rule.

Stat. Auth.: ORS 475B.235

Stats. Implemented ORS 475B.235

845-025-5500

Marijuana Worker Permit and Retailer Requirements

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

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

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

- (c) The verification of any document described in ORS 475B.170; or
- (d) The direct supervision of a person described in subsections (a) to (c) of this section.
- (2) An individual who is required by section (1) of this rule to hold a marijuana worker permit must carry that permit on his or her person at all times when performing work on behalf of a marijuana retailer.
- (3) A person who holds a marijuana worker permit must notify the Commission in writing within 10 days of any conviction for a misdemeanor or felony.
- (4) A marijuana retailer must verify that an individual has a valid marijuana worker permit issued in accordance with OAR 845-025-5500 to 845-025-5590 before allowing the individual to perform any work at the licensed premises.

Stat. Auth.: ORS 475B.215, ORS 475B.218

Stats. Implemented: ORS 475B.215, ORS 475B.218

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

(2) The Commission may deny an initial or renewal application, unless the applicant shows good cause to overcome the denial criteria, 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, except for convictions for the manufacture or delivery of marijuana if the date of the conviction is two or more years prior to the date of the application or renewal;
- (b) Has been convicted of a felony for a crime involving violence within three years of the date the Commission received the application;
- (c) 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.
- (d) Has been convicted of an offense under ORS 475.856, 475.858, 475.860 or 475.862 within three years of the date the Commission received the application.

~~(e)~~ Has more than one conviction for any of the crimes listed in subsections (2)(a) to (d) of this rule within five years of the date the Commission received the application.

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

~~(g)~~ Makes a false statement to the Commission.

(3) If the Commission denies an application under subsection (2)(f) to (g) 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.

Stat. Auth.: ORS 475B.215, ORS 475B.218
Stats. Implemented: ORS 475B.215, ORS 475B.218