OREGON LIQUOR CONTROL COMMISSION
DIVISION 25
RECREATIONAL MARIJUANA

GENERAL REQUIREMENTS APPLICABLE TO ALL MARIJUANA LICENSEES

845-025-1000
Applicability

(1) A person may not produce, process, store, transport, sell, sample, test, or deliver marijuana for commercial recreational use without a license from the Commission or as otherwise authorized under these rules.
(2) Nothing in these rules exempts a licensee or licensee representative from complying with any other applicable state or local laws.
(3) Licensure under these rules does not protect a person from possible criminal prosecution under federal law.
Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.070, 475B.070, 475B.090, 475B.100, 475B.110, 475B.340, 475B.020 & 475B.560

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.

(21) "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.

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

(23) "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.

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

(25) "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.

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

(27) "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.
(28) "Licensee representative" means an owner, director, officer, manager, employee, agent, or other representative of a licensee, to the extent that the person acts in a representative capacity.
(29) "Limited access area" means a building, room, or other contiguous area on a licensed premises where a marijuana item is produced, processed, stored, weighed, packaged, labeled, or sold, but does not include a point of sale area on a licensed retailer premises.
(30) "Marijuana"
(a) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.
(b) "Marijuana" does not include industrial hemp, as defined in ORS 571.300.
(31) "Marijuana flowers" means the flowers of the plant genus Cannabis within the plant family Cannabaceae.
(32) "Marijuana items" means marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts.
(33) "Marijuana leaves" means the leaves of the plant genus Cannabis within the plant family Cannabaceae.
(34) "Marijuana processor" means a person who processes marijuana items in this state.
(35) "Marijuana producer" means a person who produces marijuana in this state.
(36) "Marijuana retailer" means a person who sells marijuana items to a consumer in this state.
(37) "Marijuana wholesaler" means a person who purchases marijuana items in this state for resale to a person other than a consumer.
(38) "Mature marijuana plant" means a marijuana plant that is not an immature marijuana plant.
(39) "Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid extract" means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a concentration of tetrahydrocannabinol that is permitted under ORS 475B.625 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.
(41) "Minor" means any person under 21 years of age.
(42) "Non-Toxic" means not causing illness, disability or death to persons who are exposed.
(43) "Non-profit Dispensary” means a medical marijuana dispensary registered under ORS 475B.450 owned by a nonprofit corporation organized under ORS chapter 65.
(44) “ORELAP” means the Oregon Environmental Laboratory Accreditation Program administered by the Authority pursuant to ORS 438.605 to 438.620.
(45) “Permittee” means any person who holds a Marijuana Workers Permit.
(46) "Person" has the meaning given that term in ORS 174.100.
(47) “Person responsible for a marijuana grow site” or “PRMG” has the meaning given that term in OAR 333-008-0010.
(48) “Premises” or “licensed premises” includes the following areas of a location licensed under section ORS 475B.070, 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.
(49) “Primary Residence” means real property inhabited for the majority of a calendar year by an owner, renter or tenant, including manufactured homes and vehicles used as domiciles.
(50) “Processes”
(a) “Processes” means the processing, compounding or conversion of marijuana into cannabinoid products, cannabinoid concentrates or cannabinoid extracts;
(b) "Processes" does not include packaging or labeling.
(51) “Process lot” means:
(a) Any amount of cannabinoid concentrate or extract of the same type and processed at the same time using the same extraction methods, standard operating procedures and batches from the same 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.
(52) “Producer” means a marijuana producer licensed by the Commission.
(53) “Produces”
(a) "Produces" means the manufacture, planting, cultivation, growing or harvesting of marijuana.
(b) "Produces" does not include:
(A) The drying of marijuana by a marijuana processor, if the marijuana processor is not otherwise producing marijuana; or
(B) The cultivation and growing of an immature marijuana plant by a marijuana processor, marijuana wholesaler or marijuana retailer if the marijuana processor, marijuana wholesaler or marijuana retailer purchased or otherwise received the plant from a licensed marijuana producer.
(54) “Propagate” means to grow immature marijuana plants or to breed or produce the seeds of the plant Cannabis family Cannabaceae.
(55) "Public place" means a place to which the general public has access and includes, but is not limited to, hallways, lobbies and other parts of apartment houses and hotels not constituting rooms or apartments designed for actual residence, and highways, streets, schools, places of amusement, parks, playgrounds and areas used in connection with public passenger transportation.
(56) "Regulatory specialist" means a full-time employee of the Commission who is authorized to act as an agent of the Commission in conducting inspections or investigations, making arrests and seizures, aiding in prosecutions for offenses, issuing
citations for violations and otherwise enforcing chapter 471, ORS 474.005 to 474.095, 474.115, 475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to 475B.655, Commission rules and any other statutes the Commission considers related to regulating liquor or marijuana.

(57) “Registry identification cardholder” or “patient” has the meaning given that term in ORS 475B.410. (58) “Retailer” means a marijuana retailer licensed by the Commission. (59) “Safe” means:

(a) A metal receptacle with a locking mechanism capable of storing all marijuana items on a licensed premises that:

(1) Is rendered immobile by being securely anchored to a permanent structure of an enclosed area; or

(2) 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:

(1) Is rendered immobile by being securely anchored to a permanent structure of an enclosed area; or

(2) Weighs more than 750 pounds.

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

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

(62) “Shipping Container” means any container or wrapping used solely for the transport of a marijuana items in bulk to a marijuana licensee as permitted in these rules.

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

(64) “UID” means unique identification.

(65) (a) “Usable Marijuana” means the dried leaves and flowers of marijuana.

(b) “Usable marijuana” does not include:

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

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

(66) “Vault” means an enclosed area or room that is constructed of steel-reinforced or block concrete and has a door that contains a multiple-position combination lock or the equivalent, a relocking device or equivalent, and a steel plate with a thickness of at least one-half inch.

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

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

845-025-1030 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) 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
(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
(b) 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;
(c) 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;
(d) Proof of right to occupy the premises proposed for licensure;
(e) 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.
(f) 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)(f)(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:
   (i) A copy of a water right permit, certificate, or other water use authorization from the Oregon Water Resources Department; 
   (ii) A statement that water is supplied from a public or private water provider, along with the name and contact information of the water provider; or 
   (iii) Proof from the Oregon Water Resources Department that the water to be used for production is from a source that does not require a water right. 

(g) 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; and 
   (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 
   (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 & Sections 1, 17 & 18, Chapter 24, Oregon Laws 2016

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.
Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.045, 475B.070, 475B.090, 475B.100, 475B.110, 475B.560 & Sections 1, 2, 3 & 4, Chapter 24, Oregon Laws 2016

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

   (i) 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, 475B.070, 475B.090, 475B.100, 475B.110, 475B.218, 475B.560, 475B.610 & 475B.620, & Sections 1, Chapter 24, Oregon Laws 2016

845-025-1070

Late Renewal Fees

(1) If the Commission receives a completed license or certificate renewal application less than 20 days before the date the existing license or certificate expires, the Commission will charge a late renewal fee of $150 for licenses and certificates.
(2) If the Commission receives a completed license or certificate renewal application within 30 days after the date the existing license or certificate expires, the Commission will charge a late renewal fee equal to $300 for licenses and certificates.
Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.025

845-025-1080
Criminal Background Checks

(1) If an individual is required by the Commission to undergo a criminal background check, the individual must provide to the Commission:
(a) A criminal background check request form, prescribed by the Commission that includes but is not limited to:
(A) First, middle and last name;
(B) Any aliases;
(C) Date of birth;
(D) Driver's license information; and
(E) Address and recent residency information.
(b) Fingerprints in accordance with the instructions on the Commission’s webpage.
(2) The Commission may request that an applicant disclose his or her Social Security Number if notice is provided that:
(a) Indicates the disclosure of the Social Security Number is voluntary; and
(b) That the Commission requests the Social Security Number for the purpose of positively identifying the applicant during the criminal records check process.
(3) An applicant’s criminal history must be evaluated by the Commission in accordance with ORS 670.280 and 475B.050.
(4) The Commission may conduct a criminal background checks in accordance with this rule every year at the time of application renewal.
(5) Records concerning criminal background checks must be kept and handled by the Commission in accordance with ORS 181.534(15).
Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.050

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, receive a land use compatibility statement from the city or county that authorizes land use in the city or county in which the applicant's proposed premises is located.
(b) May, in its discretion, prior to acting on an application:
(A) Contact any applicant or individual with a financial interest and request additional documentation or information; and
(B) Verify any information submitted by the applicant.
(3) The requirements of section (2)(a) of this rule do not apply to applicants for a producer license if the applicant demonstrates in a form and manner specified by the Commission that:
(a) The applicant is applying for a license at an address where a marijuana grow site registered under ORS 475B.420 is located;
(b) The address is outside of city limits;
(c) At least one person responsible for a marijuana grow site located at the address first registered with the Authority under ORS 475B.420 before January 1, 2015;
(d) Each person responsible for a marijuana grow site located at the address first registered with the Authority under ORS 475B.420 before February 1, 2016; and
(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.
(4) The Commission must inspect the proposed premises prior to issuing a license.
(5) If during an inspection the Commission determines the applicant is not in compliance with these rules, the applicant will be provided with a notice of the failed inspection and the requirements that have not been met.
(a) An applicant that fails an inspection will have 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.
(6) If an applicant does not submit a timely plan of correction or if the plan of correction does not correct the deficiencies in a manner that would bring the applicant into compliance, the Commission may deny the application.
(7) If the plan of correction appears, on its face, to correct the deficiencies, the Commission will schedule another inspection.
(8) If an applicant fails a second inspection, the Commission may deny the application unless the applicant shows good cause for the Commission to perform additional inspections.

Stat. Auth.: ORS 475B.025

845-025-1100
Approval of Application and Issuance of License

(1) If, after the application review and inspection, the Commission determines that an applicant is in compliance with ORS 475B.025 to 475B.235 and these rules the Commission must notify the applicant in writing that the application has been approved and after payment by the applicant of the license fee, provide the applicant with proof of licensure that includes a unique license number, the effective date of the license, date of expiration, and a description of premises for which the license was issued. If the applicant paid the license fee with a check the Commission will not issue a license until it has confirmation that the check has cleared.
(2) A licensee:
(a) May not operate until on or after the effective date of the license.
(b) Must display proof of licensure in a prominent place on the premises.
(c) May not use the Commission name or logo on any signs at the premises, on the business’ website, or in any advertising or social media, except to the extent that information is contained on the proof of licensure.
(3) Licensure is only valid for the premises indicated on the license and is only issued to the individuals or entities listed on the application or subsequently approved by the Commission.
(4) A license may not be transferred except as provided in OAR 845-025-1160.
Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.055

845-025-1115
Denial of Application

(1) The Commission must deny an initial or renewal application if:
(a) An applicant is under the age of 21.
(b) The applicant’s land use compatibility statement shows that the proposed land use is prohibited in the applicable zone, if a land use compatibility statement is required.
(c) The proposed licensed premises is located:
   (A) On federal property.
   (B) On reservation or tribal trust land of a federally recognized Indian tribe unless that tribe has entered into an agreement with the State of Oregon which allows licensing of recreational marijuana businesses.
(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, within 1,000 feet of:
      (i) A public elementary or secondary school for which attendance is compulsory under ORS 339.020; or
      (ii) A private or parochial elementary or secondary school, teaching children as described in ORS 339.030.
   (B) In an area that is zoned exclusively for residential use.
(g) The proposed licensed premises of a wholesaler applicant is in an area zoned exclusively for residential use.
(h) 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.
Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.040, 475B.045, 475B.063, 475B.070, 475B.090, 
475B.100, 475B.110, 475B.560, 475B.800, Section 1, Chapter 24, Oregon Laws 2016 & Section 29b, Chapter 83, Oregon Laws 2016

845-025-1130
Withdrawal of Application

An applicant may withdraw an initial or renewal application at any time prior to the 
Commission acting on the application unless the Commission has determined that the 
applicant submitted false or misleading information in which case the Commission may 
refuse to accept the withdrawal and may issue a notice of proposed denial in 
accordance with OAR 845-025-1115.
Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.045

845-025-1145
Communication With Commission

(1) If an applicant or licensee is required to or elects to submit anything in writing to the 
Commission, unless otherwise prescribed by the Commission, the applicant or licensee 
may submit the writing to the Commission via:
(a) Mail;
(b) In-person delivery;
(c) Facsimile; or
(d) E-mail.
(2) If a written notification must be submitted by a particular deadline it must be received, regardless of the method used to submit the writing, by 5:00 p.m. Pacific Time.
Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.025

845-025-1160
Notification of Changes

(1) An applicant or licensee must notify the Commission in writing within 10 calendar days of any of the following:
(a) A change in any contact information for anyone listed in an application or subsequently identified as an applicant or an individual with a financial interest;
(b) The arrest or conviction for any misdemeanor or felony of an individual listed in an application or subsequently identified as an applicant, licensee or individual with a financial interest;
(c) A disciplinary proceeding or licensing enforcement action by another governmental entity that may affect the licensee’s business;
(d) The filing of bankruptcy;
(e) The closure of bank accounts or credit cards by a financial institution;
(f) The temporary closure of the business for longer than 30 days; or
(g) The permanent closure of the business.
(2) An applicant or licensee must notify the Commission in a manner prescribed by the Commission within 24 hours of the arrest or conviction for any misdemeanor or felony of an individual listed in an application or subsequently identified as an applicant, licensee or individual with a financial interest.
(3) A licensee must notify the Commission as soon as reasonably practical and in no case more than 24 hours from the theft of marijuana items or money from the licensed premises.
(4) Changes in Financial Interest or Business Structure. A licensee that proposes to change its corporate structure, ownership structure or change who has a financial interest in the business must submit a form prescribed by the Commission, and any information identified in the form to be submitted, to the Commission, prior to making such a change.
(a) The Commission must review the form and other information submitted under subsection (1) of this rule, and will approve the change if the change would not result in an initial or renewal application denial under OAR 845-025-1115, or serve as the basis of a license suspension or revocation.
(b) If the Commission denies the change but the licensee proceeds with the change the licensee must surrender the license or the Commission will propose to suspend or revoke the license.
(c) The Commission will not accept a form for a change in corporate structure or financial interest if the license is expiring in less than 90 days, the licensee is under investigation by the Commission, or has been issued a Notice by the Commission following an alleged violation and the alleged violation has not been resolved.
(d) If a licensee has a change in ownership that is 51% or greater, a new application must be submitted in accordance with OAR 845-025-1030.

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

Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.055 & 475B.045

845-025-1175
Changing, Altering, or Modifying Licensed Premises

(1) A licensee may not make any physical changes to the licensed premises that materially or substantially alter the licensed premises or the usage of the licensed premises from the plans originally approved by the Commission without the Commission’s prior written approval.
(2) A licensee who intends to make any material or substantial changes to the licensed premises must submit a form prescribed by the Commission, and submit any information identified in the form to be submitted, to the Commission, prior to making any such changes.
(3) The Commission must review the form and other information submitted under subsection (2) of this rule, and will approve the changes if the changes would not result in an initial or renewal application denial under OAR 845-025-1115.
(4) If the Commission denies the change the licensee must not make the proposed changes. If the licensee makes the proposed changes, the licensee must surrender the license or the Commission will propose to suspend or revoke the license.
(5) For purposes of this rule a material or substantial change requiring approval includes, but is not limited to:
(a) Any increase or decrease in the total physical size or capacity of the licensed premises;
(b) The sealing off, creation of or relocation of a common entryway, doorway, passage or other such means of public ingress or egress, when such common entryway, doorway or passage alters or changes limited access areas, such as the areas in which cultivation, harvesting, processing, or sale of marijuana items occurs within the licensed premises; or
(c) Any physical change that would require the installation of additional video surveillance cameras or a change in the security system.
(d) Any addition or change of location of a primary residence located on the same tax lot or parcel as a licensed premises.

Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.070, 475B.090, 475B.100, 475B.110 & 475B.560
845-025-1190
License Renewal

(1) Renewal Applications:
(a) Any licensee who files a completed renewal application with the Commission at least 20 days before the date the license expires may continue to operate as if the license were renewed, pending a decision by the Commission;
(b) Any licensee who does not file a completed renewal application at least 20 days before the existing license expires must stop engaging in any licensed activity when the license expires. However:
(A) If the Commission receives a completed license renewal application less than 20 days before the date the existing license expires, the Commission will, upon receipt of the appropriate late renewal fee in OAR 845-025-1070, issue a letter of authority to operate beyond the expiration of the license, pending a decision by the Commission;
(B) A licensee must not engage in any licensed activity after the license expires. If the Commission receives a completed license renewal application within 30 days after the date the existing license expires, the Commission will, upon receipt of the appropriate late renewal fee in OAR 845-025-1070, issue a letter of authority to resume operation, pending a decision by the Commission.
(c) The Commission will not renew a license if the Commission receives the renewal application more than 30 days after the license expires. A person who wants to resume licensed activity in this circumstance:
(A) Must submit a completed new application, including the documents and information required by the Commission; and
(B) Must not engage in any licensed activity unless and until they receive authority to operate from the Commission after submitting the completed new application.
(d) A person relicensed under section (1)(c) of this rule who engaged in any activity that would require a license while not licensed in violation of section (1)(b)(B) of this rule may be subject to administrative and criminal sanctions.
(e) A person who engages in any activity that requires a license but is not licensed may be subject to criminal prosecution.
(f) For purposes of this rule, a completed application:
(A) Is considered filed when received by the Commission; and
(B) Is one that is completely filled out, is signed by all applicants and includes the appropriate fee.
Stat. Auth.: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.110 & 475B.560
Stats. Implemented: ORS 475B.040

845-025-1200
Financial and Business Records

In addition to any other recordkeeping requirements in these rules, a marijuana licensee must have and maintain records that clearly reflect all financial transactions and the financial condition of the business. The following records may be kept in either paper or electronic form and must be maintained for a three-year period and must be made available for inspection if requested by an employee of the Commission:
(1) Purchase invoices and supporting documents for items and services purchased for use in the production, processing, research, testing and sale of marijuana items that include from whom the items were purchased and the date of purchase;
(2) Bank statements for any accounts relating to the licensed business;
(3) Accounting and tax records related to the licensed business;
(4) Documentation of all financial transactions related to the licensed business, including contracts and agreements for services performed or received that relate to the licensed business; and
(5) All employee records, including training.
Stat. Auth.: ORS 475B.025, 475B.070, 475B.090, 475B.100 & 475B.110
Stats. Implemented: ORS 475B.130

845-025-1215
Standardized Scales

(1) A licensee shall use an Oregon Department of Agriculture licensed weighing device as defined in ORS chapter 618 and OAR 603, Division 27:
(a) Whenever marijuana items are bought and sold by weight;
(b) Whenever marijuana items are packaged for sale by weight;
(c) Whenever marijuana items are weighed for entry into CTS; and,
(d) Whenever the weighing device is used commercially as defined in ORS 618.010.
(2) Notwithstanding the requirements in sections (1) of this rule a laboratory licensee may utilize any scale permitted by ORELAP under OAR 333, Division 64.
Stat. Auth.: ORS 475B.025, 475B.070, 475B.090, 475B.100 & 475B.110
Stats. Implemented: ORS 475B.070, 475B.090, 475B.100 & 475B.110

845-025-1230
Licensed Premises Restrictions and Requirements

(1) A licensed premises may not be located:
(a) On federal property; or
(b) At the same physical location or address as a:
(A) Medical marijuana grow site registered under ORS 475.304, unless the grow site is also licensed under ORS 475B.080;
(B) Medical marijuana processing site registered under ORS 475B.435; or
(C) Medical marijuana dispensary registered under ORS 475B.450.
(D) Liquor licensee licensed under ORS Chapter 471 or as a retail liquor agent appointed by the Commission.
(2) The licensed premises of a producer applicant may not be on:
(a) Public land; or
(b) The same tax lot or parcel as another producer licensee under common ownership.
(3) The licensed premises of a retailer may not be located:
(a) Within 1,000 feet of:
(A) A public elementary or secondary school for which attendance is compulsory under ORS 339.020; or
(B) A private or parochial elementary or secondary school, teaching children as described in ORS 339.030.
(b) In an area that is zoned exclusively for residential use.
(4) The licensed premises of a processor who has an endorsement to process extracts may not be located in an area that is zoned exclusively for residential use.
(5) The licensed premises of a processor, wholesaler, laboratory and retailer must be enclosed on all sides by permanent walls and doors.
(6) A licensee may not permit:
(a) Any minor on a licensed premises except as described in section (7) and (8) of this rule; or
(b) On-site consumption of a marijuana item, alcohol, or other intoxicant by any individual, except that a license representative who has a current registry identification card issued under ORS 475B.415 may consume marijuana during his or her work shift on the licensed premises as necessary for his or her medical condition, if the employee is alone, in a closed room and not visible to others outside the room. A license representative who consumes a marijuana item as permitted under this section may not be intoxicated while on duty. For purposes of this section allowable on-site consumption in an enclosed area, as that as defined in OAR 333-015-0030 does not include smoking, combusting, inhaling, vaporizing, or aerosolizing a marijuana item.
(7) Notwithstanding section (6)(a) of this rule, a minor, other than a licensee’s employee, who has a legitimate business purpose for being on the licensed premises, may be on the premises for a limited period of time in order to accomplish the legitimate business purpose. For example, a minor plumber may be on the premises in order to make a repair.
(8) Notwithstanding section (6)(a) of this rule, a minor who resides on the tax lot or parcel where a marijuana producer is licensed may be present on those portions of a producer’s licensed that do not contain usable marijuana or cut and drying marijuana plants.
(9) A licensee must clearly identify all limited access areas in accordance with OAR 845-025-1245.
(10) A licensee must keep a daily log of all employees, contractors and license representatives who perform work on the licensed premises. All employees, contractors and license representatives present on the licensed premises must wear clothing or a badge issued by the licensee that easily identifies the individual as an employee, contractor or license representative.
(a) A licensee must record the name and permit number of every current employee and license representative in CTS.
(b) If a current employee or license representative is not required to have a marijuana worker permit, the licensee must record the name and date of birth for that individual in CTS.
(c) A licensee must record the name and date of birth for every contractor who performs work on the licensed premises. If the contractor is licensed by the State of Oregon, the licensee must also record the contractor’s license number.
(11) The general public is not permitted in limited access areas on a licensed premises, except for the consumer sales area of a retailer and as provided by section (14) of this rule. In addition to licensee representatives, the following visitors are permitted to be
present in limited access areas on a licensed premises, subject to the requirements in section (12) and (13) of this rule:
(a) Laboratory personnel, if the laboratory is licensed by the Commission;
(b) A contractor, vendor or service provider authorized by a licensee representative to be on the licensed premises;
(c) Another licensee or that licensee’s representative;
(d) Invited guests as defined in OAR 845-025-1015 subject to requirements of section (12) of this rule; or
(e) Tour groups as permitted under section (14) of this rule.
(12) Prior to entering a licensed premises all visitors permitted by section (11) of this rule must be documented and issued a visitor identification badge from a licensee representative that must remain visible while on the licensed premises. A visitor badge is not required for government officials. All visitors described in subsection (11) of this rule must be accompanied by a licensee representative at all times.
(13) A licensee must maintain a log of all visitor activity allowed under section (11) of this rule. The log must contain the first and last name and date of birth of every visitor and the date they visited. A licensee is not required to record the date of birth for government officials.
(14) A marijuana producer or research certificate holder may offer tours of the licensed premises, including limited access areas, to the general public if the licensee submits a control plan in writing and the plan is approved by the Commission.
(a) The plan must describe how conduct of the individuals on the tour will be monitored, how access to usable marijuana will be limited, and what steps the licensee will take to ensure that no minors are permitted on the licensed premises.
(b) The Commission may withdraw approval of the control plan if the Commission finds there is poor compliance with the plan. Poor compliance may be indicated by, for example, individuals on the tour not being adequately supervised, an individual on the tour obtaining a marijuana item while on the tour, a minor being part of a tour, or the tours creating a public nuisance.
(15) Nothing in this rule is intended to prevent or prohibit Commission employees or contractors, or other state or local government officials that have jurisdiction over some aspect of the licensed premises or licensee from being on the licensed premises.
(16) A licensee may not sublet any portion of a licensed premises.
(17) A licensed premises may receive marijuana items only from a marijuana producer, marijuana processor, or marijuana wholesaler for whom a premises has been licensed by the Commission.
(18) A licensed wholesaler or retailer who sells or handles food, as that term is defined in ORS 616.695, or cannabinoid edibles must also be licensed by the Oregon Department of Agriculture under ORS 616.706.
(19) Notwithstanding section (6)(a) of this rule, a minor may pass through the licensed area of an outdoor producer in order to reach an unlicensed area, so long as the minor is not present in areas that contain marijuana items.
Stat. Auth.: ORS 475B.025, ORS 475B.070, ORS 475B.090, ORS 475B.100, ORS 475B.110
Stats. Implemented: ORS 475B.090, 475B.100, 475B.110, 475B.110, 475B.260, 475B.005, 475B.180 & 475B.280
845-025-1245
Signage

(1) A licensee must post:
(a) At every licensed premises signs that read:
   (A) “No Minors Permitted Anywhere on This Premises”; and
   (B) “No On-Site Consumption of Marijuana”; and
(b) At all areas of ingress or egress to a limited access area a sign that reads: “Do Not Enter – Limited Access Area – Access Limited to Licensed Personnel and Escorted Visitors.”
(2) All signs required by this rule must be:
(a) Legible, not less than 12 inches wide and 12 inches long, composed of letters not less than one-half inch in height;
(b) In English and Spanish; and
(c) Posted in a conspicuous location where the signs can be easily read by individuals on the licensees premises.
Stat. Auth.: ORS 475B.025, 475B.070, 475B.090, 475B.100 & 475B.110
Stats. Implemented: ORS 475B.260

845-025-1260
Standards for Authority to Operate a Licensed Business as a Trustee, a Receiver, a Personal Representative or a Secured Party

(1) The Commission may issue a temporary authority to operate a licensed business to a trustee, the receiver of an insolvent or bankrupt licensed business, the personal representative of a deceased licensee, or a person holding a security interest in the business for a reasonable period of time to allow orderly disposition of the business.
   (a) The trustee, receiver or personal representative must provide the Commission with the following information:
      (A) Proof that the person is the legal trustee, receiver or personal representative for the business; and
      (B) A written request for authority to operate as a trustee, receiver or personal representative, listing the address and telephone number of the trustee, receiver or personal representative.
   (b) The secured party must provide the Commission with the following information:
      (A) Proof of a security interest in the licensed business;
      (B) Proof of the licensee’s default on the secured debt;
      (C) Proof of legal access to the real property; and
      (D) A written request for authority to operate as a secured party listing the secured party’s address and telephone number.
   (2) The Commission may revoke or refuse to issue or extend authority for the trustee, receiver, personal representative, or secured party to operate:
      (a) If the trustee, receiver, personal representative or secured party does not propose to operate the business immediately or does not begin to operate the business immediately upon receiving the temporary authority;
(b) For any of the reasons that the Commission may revoke or refuse to issue or renew a license;
(c) If the trustee, receiver, personal representative or secured party operates the business in violation of ORS 475B, or these rules; or
(d) If a reasonable time for disposition of the business has elapsed.
(3) No person or entity described in section (1) of this rule may operate the business until a certificate of authority has been issued under this rule, except that the personal representative of a deceased licensee may operate the business for up to 10 days after the death provided that the personal representative submits the information required in section (1)(a) of this rule and obtains a certificate of authority within that time period.
(4) A certificate of authority under this rule is initially issued for a 60-day period and may be extended as reasonably necessary to allow for the disposition of the business.

Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.033

845-025-1275
Closure of Business

(1) A license expires upon death of a licensee unless the Commission issues an order as described in subsection (2) of this rule.
(2) The Commission may issue an order providing for the manner and condition under which:
(a) Marijuana items left by a deceased, insolvent or bankrupt person or licensee, or subject to a security interest, may be foreclosed, sold under execution or otherwise disposed.
(b) The business of a deceased, insolvent or bankrupt licensee may be operated for a reasonable period following the death, insolvency or bankruptcy.
(3) A secured party, as defined in ORS 79.0102, may continue to operate a business for which a license has been issued under section ORS 475B.070, 475B.090, 475B.100 or 475B.110 for a reasonable period after default on the indebtedness by the debtor.
(4) If a license is revoked the Commission must address in its order the manner and condition under which marijuana items held by the licensee may be transferred or sold to other licensees or must be otherwise disposed.
(5) If a license is surrendered or expires the Commission may address by order the manner and condition under which marijuana items held by the licensee may be transferred or sold to other licensees or must be otherwise disposed of.
Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.033

845-025-1290
Licensee Responsibility

A licensee is responsible for:
(1) The violation of any administrative rule of the Commission; any provision of ORS chapter 475B affecting the licensee's license privileges.
(2) Any act or omission of a licensee representative in violation of any administrative rule of the Commission or any provision of ORS chapter 475B affecting the licensee’s license privileges.
Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.025

845-025-1295
Local Ordinances

The Commission may impose a civil penalty, suspend or revoke any license for failure to comply with an ordinance adopted by a city or county pursuant ORS 475B.340 if the city or county:
(1) Has provided the licensee with due process substantially similar to the due process provided to a licensee under the Administrative Procedures Act, ORS 183.413 to 183.470; and
(2) Provides the Commission with a final order that is substantially similar to the requirements for a final order under ORS 183.470 that establishes that the licensee has violated the local ordinance.
Stat. Auth.: ORS 475B.025, 475B.070, 475B.090, 475B.100, & 475B.110
Stats. Implemented: ORS 475B.340

845-025-1300
Licensee Prohibitions

(1) A licensee may not:
(a) Import into this state or export from this state any marijuana items;
(b) Give marijuana items as a prize, premium or consideration for a lottery, contest, game of chance or game of skill, or competition of any kind;
(c) Sell, give or otherwise make available any marijuana items to any person who is visibly intoxicated;
(d) Make false representations or statements to the Commission in order to induce or prevent action by the Commission;
(e) Maintain a noisy, disorderly or insanitary establishment or supply adulterated marijuana items;
(f) Misrepresent any marijuana item to a customer or to the public;
(g) Sell any marijuana item through a drive-up window;
(h) Deliver marijuana to any consumer off the licensed premises except as permitted by OAR 845-025-2880;
(i) Sell or offer to sell a marijuana item that does not comply with the minimum standards prescribed by the statutory laws of this state; or
(j) Use or allow the use of a mark or label on the container of a marijuana item that is kept for sale if the container does not precisely and clearly indicate the nature of the container’s contents or in any way might deceive a customer as to the nature, composition, quantity, age or quality of the marijuana item.
(2) No licensee or licensee representative may be under the influence of intoxicants while on duty.
(a) For purposes of this rule “on duty” means:
(A) The beginning of a work shift that involves the handling or sale of marijuana items, checking identification or controlling conduct on the licensed premises, to the end of the shift including all breaks;
(B) For an individual working outside a scheduled work shift, the performance of acts on behalf of the licensee that involve the handling or sale of marijuana items, checking identification or controlling conduct on the licensed premises, if the individual has the authority to put himself or herself on duty; or
(C) A work shift that includes supervising those who handle or sell marijuana items, check identification or control the licensed premises.

(b) Whether a person is paid or scheduled for work is not determinative of whether the person is considered "on duty" under this subsection.

Stat. Auth.: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.110
Stats. Implemented: ORS 475B.185, 475B.190, 475B.195, 475B.205, 475B.270 & 475B.275

845-025-1330
Trade Samples

(1) The following licensees may provide samples of marijuana items to other licensees for the purpose of determining whether to purchase the product:
(a) A producer may provide a sample of usable marijuana to a marijuana wholesaler, retailer or processor licensee.
(b) A processor may provide a sample of a cannabinoid product, concentrate or extract to a marijuana wholesaler or retailer.
(c) A wholesaler may provide a sample of usable marijuana or a cannabinoid product, concentrate or extract to a marijuana wholesaler, retailer or processor licensee.
(2) The sample marijuana items may not be consumed or used on a licensed premises.
(3) The sample may not be resold to another licensee or consumer.
(4) Any sample provided to another licensee or received by a licensee must be recorded in CTS.
(5) Any samples provided under this rule must be tested in accordance with OAR 333-007-0300 to 333-007-0490.
(6) A licensee is limited to providing the following aggregate amounts of sample marijuana items to an individual recipient licensee in a 30-day period:
(a) 30 grams of usable marijuana;
(b) 5 grams of cannabinoid concentrates or extracts; and
(c) 3 units of sale of any individual cannabinoid product.

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

845-025-1360
Quality Control Samples
(1) Producer and processor licensees may provide sample marijuana items directly to their own license representatives for the purpose of quality control and product development.
(2) The sample marijuana items may not be consumed or used on a licensed premises.
(3) The sample marijuana items may not be provided to or resold to another licensee or consumer.
(4) Any sample provided under this rule must be recorded in CTS.
(5) A producer licensee is limited to providing a total of 28 grams of usable marijuana per harvest lot or 1% of each harvest lot, whichever is smaller.
(6) A processor licensee is limited to providing a total of the following amounts of sample marijuana items:
   (a) 5 grams of cannabinoid concentrates or extracts per process lot or 1% of each process lot, whichever is smaller; and
   (b) 12 individual units of sale per process lot for other cannabinoid products.

Stat. Auth.: ORS 475B.025, 475B.070 & 475B.090
Stats Implemented: ORS 475B.025, 475B.070 & 475B.090

SECURITY

845-025-1400
Security Plans

(1) An applicant must have a security plan. The Commission will not conduct any pre-licensing inspection under OAR 845-025-1090(3) until it has approved an applicant’s security plan.
(2) The Commission must notify an applicant in writing whether the security plan has been approved. If the security plan is approved with a waiver granted under OAR 845-025-1405, the notice must specifically describe the alternate safeguards that are required and, if time limited, must state the time period the security plan is in effect.
(3) A licensee must notify the Commission of any proposed changes to a security plan and must have approval prior to implementing any change. The Commission will notify a licensee whether the change is approved in the same manner described in subsection (2) of this rule.
(4) The Commission may withdraw approval of the security plan at any time if there have been one or more documented instances of theft or loss of marijuana items on the licensed premises within the past year. If the Commission withdraws its approval of the security plan, the licensee will be given a reasonable period of time to modify the plan and if the security plan was approved with a waiver of any security requirements, will be given a reasonable period of time to come into compliance with the security requirements that were waived.
(5) Failure to comply with the terms of an approved security plan is a Category III violation.

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

845-025-1405
Security Waivers
(1) An applicant or licensee may, in writing, request that the Commission waive one or more of the security requirements described in OAR 845-025-1400 to 845-025-1470 by submitting a security waiver request for Commission approval. The waiver request must include:
   (a) The specific rules and subsections 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; and
   (d) An explanation of how and why the alternative safeguard accomplishes the goals of the security rules, specifically public safety, prevention of diversion, accountability, and prohibiting access to minors.
(2) The Commission may, in its discretion and on a case by case basis, approve the security waiver if it finds that the alternative safeguard that is proposed meets the goals of the security rules.
(3) Approved security waivers expire at the same time as the underlying license.  
Stat. Auth.: ORS 475B.025, 475B.070, 475B.090, 475B.100 & 475B.110  
Stats. Implemented: ORS 475B.025, 475B.070, 475B.090, 475B.100 & 475B.110

845-025-1410  
Security Requirements

(1) A licensee is responsible for the security of all marijuana items on the licensed premises or in transit, including providing adequate safeguards against theft or diversion of marijuana items and records that are required to be kept.
(2) The licensee must ensure that commercial grade, non-residential door locks are installed on every external door, and gate if applicable, of a licensed premises where marijuana items are present.
(3) During all hours when the licensee is not operating a licensee must ensure that:
   (a) All points of ingress and egress from a licensed premises are securely locked and any keys or key codes to the enclosed area remain in the possession of the licensee, licensee representative, or authorized personnel;
   (b) All marijuana items on a licensed retailer’s premises are kept in a safe or vault as those terms are defined in OAR 845-025-1015; and
   (c) All usable marijuana, cut and drying mature marijuana plants, cannabinoid concentrates, extracts or products on the licensed premises of a licensee other than a retailer are kept in a locked, enclosed area within the licensed premises that is secured with at a minimum, a steel door with a steel frame or equivalent, and a commercial grade, non-residential door lock.
(4) A licensee must:
   (a) Have an electronic back-up system for all electronic records; and
   (b) Keep all video recordings and archived required records not stored electronically in a locked storage area. Current records may be kept in a locked cupboard or desk outside the locked storage area during hours when the licensed business is open.
Stat. Auth.: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.110  
Stats. Implemented: ORS 475B.025, 475B.070, 475B.090, 475B.100 & 475B.110
**845-025-1420**  
**Alarm System**

(1) A licensed premises must have a fully operational security alarm system, activated at all times when the licensed premises is closed for business on all:
(a) All points of egress and ingress to and from the licensed premises; and
(b) Perimeter windows, if applicable.
(2) The security alarm system for the licensed premises must:
(a) Be able to detect unauthorized entry onto the licensed premises and unauthorized activity within any limited access area where mature marijuana plants, usable marijuana, cannabinoid concentrates, extracts or products are present;
(b) Be programmed to notify a the licensee, licensee representative or authorized personnel in the event of an unauthorized entry; and
(c) Have a mechanism to ensure that the licensee, licensee's employees and authorized representatives can immediately notify law enforcement or a security company of any unauthorized entry. This subsection may be satisfied in one of the following ways:
(A) Having at least two operational "panic buttons" located inside the licensed premises that are linked with the alarm system that immediately notifies a security company or law enforcement; or
(B) Having operational "panic buttons" physically carried by all licensee representatives present on the licensed premises that are linked with the alarm system that immediately notifies a security company or law enforcement; or
(C) Having a landline telephone present in all limited access areas that is capable of immediately calling a security company or law enforcement.
(3) A licensee that has at least one authorized representative physically present on the licensed premises at all times when it is closed for business is not required to comply with section (1) and sections (2)(a) and (b) of this rule.
(4) Upon request, licensees shall make all information related to security alarm systems, monitoring and alarm activity available to the Commission.

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

**845-025-1430**  
**Video Surveillance Equipment**

(1) A licensed premises must have a fully operational video surveillance recording system.
(2) Video surveillance equipment must, at a minimum:
(a) Consist of:
(A) Digital or network video recorders;
(B) Cameras capable of meeting the requirements of OAR 845-025-1450 and this rule;
(C) Video monitors;
(D) Digital archiving devices;
(E) A minimum of one monitor on premise capable of viewing video; and
(F) A printer capable of producing still photos.
(b) Have the capability of producing a still photograph from any camera image;
(c) Be equipped with a failure notification system that provides, within one hour, notification to the licensee or an authorized representative of any prolonged surveillance interruption or failure; and
(d) Have sufficient battery backup to support a minimum of one hour of recording time in the event of a power outage.

(3) Except for mounted cameras, all video surveillance equipment and recordings must be stored in a locked secure area that is accessible only to the licensee, licensee representatives and authorized personnel, Commission employees and contractors, and other state or local government officials that have jurisdiction over some aspect of the licensed premises or licensee.

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

845-025-1440
Required Camera Coverage and Camera Placement

(1) A licensed premises must have camera coverage, as applicable, for:
(a) All points of ingress and egress to and from the licensed premises;
(b) All limited access areas as that term is defined in OAR 845-025-1015;
(c) All point of sale areas;
(d) All points of entry to or exit from limited access areas; and
(e) The surveillance room or surveillance area as defined in OAR 845-025-1460(1)(a) and (b); and
(f) Any other area that the Commission believes presents a public safety risk based on the overall operation and characteristics of the licensed premises.

(2) A licensee must ensure that cameras are placed so that they capture clear and certain images of any individual and activity occurring:
(a) Within 15 feet both inside and outside of all points of ingress and egress to and from the licensed premises; and
(b) In all locations within limited access and point of sale areas on the licensed premises.

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

845-025-1450
Video Recording Requirements for Licensed Facilities

(1) A licensee must have cameras that continuously record, 24 hours a day:
(a) In all areas where mature marijuana plants, usable marijuana, cannabinoid concentrates, extracts or products may be present on the licensed premises; and
(b) All points of ingress and egress to and from areas where mature marijuana plants, usable marijuana, cannabinoid concentrates, extracts or products are present.

(2) A licensee must:
(a) In limited access and point of sale areas, use cameras that record at a minimum resolution of 1280 x 720 px and record at 10 fps (frames per second);
(b) In exterior perimeter and areas on the licensed premises that are not limited access areas, use cameras that record at a minimum resolution of 1280 x 720 px and record at least 5 fps, except where coverage overlaps any limited access areas such as entrances or exits and in those overlap areas cameras must record at 10 fps; 
(c) Use cameras that are capable of recording in all lighting conditions; 
(d) Keep all surveillance recordings for a minimum of: 
   (A) 90 calendar days for licenses issued or renewed after August 31, 2016; and 
   (B) 30 calendar days for licensed issued prior to August 31, 2016; 
(e) Maintain surveillance recordings in a format approved by the Commission that can be easily accessed for viewing and easily reproduced; 
(f) Upon request of the Commission, keep surveillance recordings for periods exceeding the retention period specified in section (2)(d) of this rule; 
(g) Have the date and time embedded on all surveillance recordings without significantly obscuring the picture; 
(h) Archive video recordings in a format that ensures authentication of the recording as a legitimately-captured video and guarantees that no alterations of the recorded image has taken place; 
(i) Make video surveillance records and recordings available immediately upon request to the Commission in a format specified by the Commission for the purpose of ensuring compliance with ORS Chapter 475B and these rules; 
(j) Immediately notify the Commission of any equipment failure or system outage lasting 30 minutes or more; and 
(k) Back up the video surveillance recordings for the surveillance room or surveillance area off-site. 
(3) Notwithstanding the requirements in section (1) of this rule a licensee may stop recording in areas where marijuana items are not present due to seasonal closures or prolonged periods of inactivity. The licensee must provide notice to OLCC when recording is stopped and must keep a log of all times that recording is stopped due to marijuana items not being present. The log and notice must identify which cameras were not recording, the date and time recording stops, the date and time recording resumes or is scheduled to resume, and a description of the reason why the recording stopped and started. 
(4) In lieu of complying with subsection (2)(k) of this rule, a licensee may keep all required back up video surveillance recordings on site in the surveillance room or surveillance area as described in OAR 845-025-1460(1)(a) and (b), if that surveillance room or surveillance area: 
   (a) Is fully enclosed on all sides within a limited access area; and 
   (b) Is secured by an all metal door within a metal frame with a fire rating of 90 minutes or more and commercial grade, non-residential lock that is kept locked at all times. 
(5) Failure to comply with subsections (2)(d)(e), (f), (h) or (i) of this rule is a Category I violation and may result in license revocation. 

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

845-025-1460 
Location and Maintenance of Surveillance Equipment
(1) A licensee must:
(a) Have the surveillance room or surveillance area in a limited access area; and
(b) Have the surveillance recording equipment housed in a designated, locked, and secured room or other enclosure with access limited to:
(A) The licensee, licensee representatives, and authorized personnel
(B) Employees of the Commission;
(C) State or local law enforcement agencies for a purpose authorized under ORS Chapter 475B, these rules, or for any other state or local law enforcement purpose; and
(D) Service personnel or contractors.
(2) Off-site storage must be secure and the recordings must be kept in a format approved by the Commission that can be easily accessed for viewing and easily reproduced.
(3) A licensee must keep a current list of all authorized employees and service personnel who have access to the surveillance system and room on the licensed premises.
(4) Licensees must keep a surveillance equipment maintenance activity log on the licensed premises to record all service activity including the identity of any individual performing the service, the service date and time and the reason for service to the surveillance system.
(5) Off-site monitoring of the licensed premises by a licensee or an independent third-party is authorized as long as standards exercised at the remote location meet or exceed all standards for on-site monitoring.

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

845-025-1470
Producer Security Requirements

(1) In addition to the security requirements in OAR 845-025-1400 to 845-025-1460, a producer must effectively prevent public access and obscure from public view all areas of marijuana production. A producer may satisfy this requirement by:
(a) Having an approved security plan as described in OAR 845-025-1400 that demonstrates the producer will effectively prevent public access and obscure from public view all areas of marijuana production;
(b) Fully enclosing indoor production on all sides so that no aspect of the production area is visible from the exterior; or
(c) Erecting a solid wall or fence on all exposed sides of an outdoor production area that is at least eight (8) feet high.
(2) If a producer chooses to dispose of marijuana items by any method of composting, as described in OAR 845-025-7750, the producer must prevent public access to the composting area and obscure the area from public view.

Stat. Auth.: ORS 475B.025 & 475B.070
Stats. Implemented: ORS 475B.025 & 475B.070

HEALTH AND SAFETY
845-025-1600  
State and Local Safety Inspections

(1) All marijuana licensees may be subject to inspection of licensed premises by state or local government officials to determine compliance with state or local health and safety laws.
(2) A licensee must contact any utility provider to ensure that the licensee complies with any local ordinance or utility requirements such as water use, discharge into the sewer system, or electrical use.

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

845-025-1620  
General Sanitary Requirements

A marijuana licensee must:
(1) Prohibit an individual from working on a licensed premises, until the condition is corrected, who has or appears to have:
   (a) An open or draining skin lesion unless the individual wears an absorbent dressing and protective gloves; or
   (b) Any illness accompanied by diarrhea or vomiting if the individual has a reasonable possibility of contact with marijuana items on the licensed premises.
(2) Require all persons who work in direct contact with marijuana items conform to hygienic practices while on duty, including but not limited to:
   (a) Maintaining adequate personal cleanliness; and
   (b) Washing hands thoroughly in an adequate hand-washing area before starting work, prior to having contact with a marijuana item and at any other time when the hands may have become soiled or contaminated.
(3) Provide hand-washing facilities adequate and convenient, furnished with running water at a suitable temperature and provided with effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying device.
(4) Properly remove all litter and waste from the licensed premises and maintain the operating systems for waste disposal in an adequate manner so that they do not constitute a source of contamination in areas where marijuana items are exposed.
(5) Provide employees with adequate and readily accessible toilet facilities that are maintained in a sanitary condition and good repair.
(6) Hold marijuana items that can support pathogenic microorganism growth or toxic formation in a manner that prevents the growth of these pathogenic microorganism or formation toxins.

Stat. Auth.: ORS 475B.025, 475B.070, 475B.090, 475B.100 & 475B.110
Stats. Implemented: ORS 475B.205

RECREATIONAL MARIJUANA PRODUCERS

845-025-2000  
Definitions
As used in OAR 845-025-2000 to 845-025-2080:
(1) “Canopy” means the surface area utilized to produce mature marijuana plants calculated in square feet and measured using the outside boundaries of any area that includes mature marijuana plants including all of the space within the boundaries.
(2) “Indoor production” means producing marijuana in any manner:
(a) Utilizing artificial lighting on mature marijuana plants; or
(b) Other than “outdoor production” as that is defined in this rule.
(3) “Outdoor production” means producing marijuana:
(a) In an expanse of open or cleared ground; or
(b) In a greenhouse, hoop house or similar non-rigid structure that does not utilize any artificial lighting on mature marijuana plants, including but not limited to electrical lighting sources.
Stat. Auth.: ORS 475B.025, 475B.070 & 475B.075
Stats. Implemented: ORS 475B.025, 475B.070 & 475B.075

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, 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.
(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.
(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, 475B.070 & 475B.075
845-025-2030
Licensed Premises of Producer

(1) The licensed premises of a producer includes all public and private areas used in the business operated at the location.
(2) A producer may not engage in any privileges of the license within a residence.
Stat. Auth.: ORS 475B.025, 475B.070
Stats. Implemented: ORS 475B.070, 475B.080 & Section 63, Chapter 24, Oregon Laws 2016

845-025-2040
Production Size Limitations

(1) Maximum Canopy Size Limits.
(a) Indoor Production.
   (A) Micro tier I: Up to 625 square feet
   (B) Micro tier II: 626 to 1250 square feet.
   (C) Tier I: 1251 to 5000 square feet.
   (D) Tier II: 5,001 to 10,000 square feet.
(b) Outdoor production.
   (A) Micro tier I: Up to 2,500 square feet.
   (B) Micro tier II: 2501 to 5000 square feet.
   (C) Tier I: 5001 to 20,000 square feet.
   (D) Tier II: 20,001 to 40,000 square feet.
(c) Mixed production. If a producer intends to have a mixture of indoor and outdoor production the Commission will determine the producer’s tiers and canopy sizes by applying the ratio in section (4) of this rule.
(d) For purposes of this section, square footage of canopy space is measured horizontally starting from the outermost point of the furthest mature flowering plant in a designated growing space and continuing around the outside of all mature flowering plants located within the designated growing space.
(e) A producer may designate multiple grow canopy areas at a licensed premises but those spaces must be separated by a physical boundary such as an interior wall or by at least 10 feet of open space.
(f) If a local government adopts an ordinance that would permit a producer to have a higher canopy size limit than is permitted under this rule, the local government may petition the Commission for an increase in canopy size limits for that jurisdiction. If the Commission grants such a petition, the Commission may amend this rule in addition to considering changes to the license fee schedule.
(g) On an annual basis, the Commission will evaluate market demand for marijuana items, the number of person applying for producer licenses or licensed as producers and whether the availability of marijuana items in this state is commensurate with the
market demand. Following this evaluation the Commission may amend this rule as needed.

(2) Canopy Size Limit – Designation and Increases.
(a) A producer must clearly identify designated canopy areas and proposed canopy size in the initial license application. A producer may change a designated canopy area within a production type at any time with prior written approval from the Commission, but a producer may only change canopy tiers at the time of renewal in accordance with section (2)(b) or section (3)(a) of this rule.
(b) A producer may submit a request to change canopy tiers at the time the producer submits an application for renewal of the license. The Commission will grant approval of the request to increase the canopy tier for the producer’s next licensure term if:
(A) The producer’s renewal application is otherwise complete;
(B) There are no bases to deny or reject the producer’s renewal application;
(C) The producer has not already reached the applicable maximum canopy size set forth in section (2) of this rule; and
(D) During the preceding year of licensure, the producer has not been found to be in violation, and does not have any pending allegations of violations of ORS 475B or these rules.
(c) The Commission shall give a producer an opportunity to be heard if a request is rejected under this section.

(3) Mixed cultivation methods.
(a) A producer may produce marijuana indoors and outdoors at the same time on the same licensed premises. The Commission must be notified of a producer’s plan to engage in the indoor and outdoor production of marijuana at the time of initial licensure or at renewal, and not at any other time. A producer who utilizes mixed production may only change designated canopy areas from one production type to another at the time the producer submits a renewal application.
(b) The Commission must approve the canopy size applicable to each method.
(c) The Commission will use a 4:1 ratio, for outdoor and indoor respectively, to allocate canopy size limits under this section, not to exceed the sum canopy size limits set forth in section (1) of this rule. For example, if a Tier II producer in the first year of licensure has 5,000 square feet of indoor canopy space, then the producer may have up to 20,000 square feet of outdoor canopy space at the same time.

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

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

845-025-2050
Operating Procedures

(1) A producer must:
(a) Establish written standard operating procedures for the production of marijuana. The standard operating procedures must, at a minimum, include when, and the manner in which, all pesticide and or other chemicals are to be applied during the production process; and
(b) Maintain a copy of all standard operating procedures on the licensed premises. 
(2) If a producer makes a material change to its standard operating procedures it must document the change and revise its standard operating procedures accordingly. Records detailing the material change must be maintained on the licensed premises by the producer. 
Stat. Auth.: ORS 475B.025 & 475B.070 
Stats. Implemented: ORS 475B.070

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:
   (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 & 475B.070 
Stats. Implemented: ORS 475B.023, 475B.070, Section 25, Chapter 24, Oregon Laws 2016

845-025-2070
Pesticides, Fertilizers and Agricultural Chemicals

(1) Pesticides. A producer may only use pesticides in accordance with ORS chapter 634 and OAR 603, Division 57. 
(2) Fertilizers, Soil Amendments, Growing Media. A producer may only use fertilizer, agricultural amendments, agricultural minerals and lime products in accordance with ORS chapter 633. 
(3) A producer may not treat or otherwise adulterate usable marijuana with any chemical, biologically active drug, plant, substance, including nicotine, or other compound that has the effect or intent of altering the usable marijuana’s color, appearance, weight or smell. 
(4) In addition to other records required by these rules, a producer must maintain, at all times and on the licensed premises: 
   (a) The material safety data sheet (MSDS) for all pesticides, fertilizers or other agricultural chemicals used by the producer in the production of marijuana;
(b) The original label or a copy thereof for all pesticides, fertilizers or other agricultural chemicals used by the producer in the production of marijuana; and
(c) A log of all pesticides, fertilizers or other agricultural chemicals used by the producer in the production of marijuana. The log must include:
   (A) The information required to be documented by a pesticide operator in ORS 634.146; and
   (B) The unique identification tag number of the cultivation batch or individual mature marijuana plant to which the product was applied, or if applied to all plants on the licensed premises a statement to that affect.
(5) A producer may maintain the records required under this rule in electronic or written form. If electronic, a producer shall maintain a backup system or sufficient data storage so that records are retained for no less than two years after harvest of any marijuana on which documented products were used. If written, a producer shall ensure that the records are legible and complete, shall keep them in a safe and secure location, and shall retain the records for no less than two years after harvest of any marijuana on which documented products were used.
(6) A producer must make the records required under this rule immediately available during an premises inspection by a Commission regulatory specialist. If the Commission requests copies of the records at any time other than during a premises inspection, a producer shall produce the records upon request.
(7) A violation of sections (1) to (4) of this rule is a Category 1 violation and could result in license revocation.
(8) A failure to keep complete records as required by this rule is a Category III violation. A failure to keep records on the licensed premises, or failure to timely produce records, is a Category III violation.
Stat. Auth.: ORS 475B.025 & 475B.070
Stats. Implemented: ORS 475B.070 & 475B.160

845-025-2080
Harvest Lot Segregation

(1) A producer must, 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 a UID tag to each receptacle that is linked to each plant that was harvested.
(2) Except as allowed under OAR 333-007-0300 to 333-007-0490 for purposes of sampling, or when providing usable marijuana to a processor a producer may not combine harvest lots that are of a different strain, were produced using different growing practices or harvested at a different locations or at different times.
Stat. Auth.: ORS 475B.025 & 475B.070
Stats. Implemented: ORS 475B.070 & 475B.150

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.

Stat. Auth.: ORS 475B.025 & 475B.070
Stats. Implemented: Section 25, Chapter 24, Oregon Laws 2016

MARIJUANA RETAILERS

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, 475B.110
Stats. Implemented: ORS 475B.025, 475B.110, Section 12 & 65 Chapter 24, Oregon Laws 2016

845-025-2820
Retailer Operational Requirements

(1) Prior to completing the sale of a marijuana item to a consumer, a retailer must verify that the consumer has a valid, unexpired government-issued photo identification and must verify that the consumer is 21 years of age or older by viewing the consumer’s:
(a) Passport;
(b) Driver license, whether issued in this state or by any other state, as long as the license has a picture of the person;
(c) Identification card issued under ORS 807.400;
(d) United States military identification card; or
(e) Any other identification card issued by a state that bears a picture of the person, the name of the person, the person’s date of birth and a physical description of the person.
(2) Marijuana items offered for sale by a retailer must be stored in such a manner that the items are only accessible to authorized representatives until such time as the final sale to the consumer is completed.

Stat. Auth.: ORS 475B.025 & 475B.110
Stats. Implemented: ORS 475B.035

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 not be located within 1,000 feet of:
(A) A public elementary or secondary school for which attendance is compulsory under ORS 339.020; or
(B) A private or parochial elementary or secondary school, teaching children as described in ORS 339.030.
(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 & 475B.110
Stats. Implemented: ORS 475B.110, 475B.160 & Section 29b, Chapter 83, Oregon Laws 2016

845-025-2860
Consumer Health and Safety Information

A retailer must:
(1) Post at a conspicuous location the following posters prescribed by the Commission, measuring 22 inches high by 17 inches wide that can be downloaded at www.oregon.gov/olcc/marijuana:
   (a) A Pregnancy Warning Poster; and
   (b) A Poisoning Prevention Poster.
(2) Post at a conspicuous location a color copy of the “Educate Before You Recreate” flyer measuring 22 inches high by 17 inches wide that can be downloaded at WHATSLEGALOREGON.COM.
(3) Distribute to each individual at the time of sale, a Marijuana Information Card, prescribed by the Commission, measuring 3.5 inches high by 5 inches long that can be downloaded at www.oregon.gov/olcc/marijuana.

Stat. Auth.: ORS 475B.025 & 475B.110
845-025-2880
Delivery of Marijuana Items by Retailer

(1) A marijuana retailer may deliver a marijuana item to a residence in Oregon subject to compliance with this rule. For purposes of this rule, “residence” means a dwelling such as a house or apartment but does not include a dormitory, hotel, motel, bed and breakfast or similar commercial business.

(2) Delivery Approval Process.
(a) The retailer must request approval from the Commission prior to undertaking delivery service of marijuana items, on a form prescribed by the Commission that includes a statement that the retailer:
(A) Understands and will follow the requirements for delivery listed in this rule; and
(B) Has taken steps to ensure the personal safety of delivery personnel, including providing any necessary training.
(b) The retailer must receive written approval from the Commission prior to making any deliveries.
(c) The Commission may refuse to review any request for approval that is not complete and accompanied by the documents or disclosures required by the form.
(d) If the Commission denies approval the Commission shall give a retailer the opportunity to be heard.
(e) The Commission may withdraw approval for delivery service at any time if the Commission finds that the retailer is not complying with this rule, the personal safety of delivery personnel is at risk, the retailer’s delivery service has been the target of theft, or the delivery service is creating a public safety risk.

(3) Bona Fide Orders.
(a) A bona fide order must be received by an approved retailer from the individual requesting delivery, before 8:00 p.m. on the day the delivery is requested.
(b) The bona fide order must contain:
(A) The individual requestor’s name, date of birth, the date delivery is requested and the address of the residence where the individual would like the items delivered;
(B) A document that describes the marijuana items proposed for delivery and the amounts; and
(C) A statement that the marijuana is for personal use and not for the purpose of resale.

(4) Delivery Requirements.
(a) Deliveries must be made before 9:00 p.m. local time and may not be made between the hours of 9:00 p.m. and 8:00 a.m. local time.
(b) The marijuana retailer may only deliver in a motor vehicle to the individual who placed the bona fide order and only to individuals who are 21 years of age or older.
(c) At the time of delivery the individual performing delivery must check the identification of the individual to whom delivery is being made in order to determine that it is the same individual who submitted the bona fide order, that the individual is 21 years of age or older, and must require the individual to sign a document indicating that the items were received.
(d) A marijuana retailer may not deliver a marijuana item to an individual who is visibly intoxicated at the time of delivery.
(e) Deliveries may not be made more than once per day to the same physical address or to the same individual.
(f) Marijuana items delivered to an individual’s residence must:
(A) Comply with the packaging rules in OAR 845-025-7000 to 845-025-7060; and
(B) Be placed in a larger delivery receptacle that has a label that reads: “Contains marijuana: Signature of person 21 years of age or older required for delivery”.
(g) A retailer may not carry or transport at any one time more than a total of $3000 in retail value worth of marijuana items designated for retail delivery.
(h) All marijuana items must be kept in a lock-box securely affixed inside the delivery motor vehicle.
(i) A manifest must be created for each delivery or series of deliveries and the individual doing the delivery may not make any unnecessary stops between deliveries or deviate substantially from the manifest route.
(5) Documentation Requirements. A marijuana retailer must document the following regarding deliveries:
(a) The bona fide order and the date and time it was received by the retailer;
(b) The date and time the marijuana items were delivered;
(c) A description of the marijuana items that were delivered, including the weight or volume and price paid by the consumer;
(d) Who delivered the marijuana items; and
(e) The name of the individual to whom the delivery was made and the delivery address.
(6) A retailer is only required to maintain the name of an individual to whom a delivery was made for one year.
(7) Prohibitions.
(a) A retailer may deliver marijuana items only to a location within:
(A) The city in which the licensee is licensed, if a licensee is located within a city; or
(B) Unincorporated areas of the county in which the licensee is licensed, if a licensee is located in an unincorporated city or area within the county.
(b) A retailer may not deliver marijuana items to a residence located on publicly-owned land.
(8) Sanction. A violation of any section of this rule that is not otherwise specified in OAR 845-025-8590 is a Category III violation.
Stats. Implemented: ORS 475B.160

845-025-2890
Collection of Taxes

(1) A retailer must collect, at the point of sale, the tax imposed on the consumer under ORS 475B.705 and remit the tax to the Oregon Department of Revenue in accordance with Department of Revenue rules.
(2) A violation of this rule is a Category III violation.
(3) An intentional violation of this rule is a Category I violation.
Stats. Implemented: ORS 475B.025 & 475B.160

RETAIL MARIJUANA PROCESSORS

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.
Stat. Auth.: ORS 475B.025
Stats. Implemented: Section 5, Chapter 83, Oregon Laws 2016
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
      (b) The Commission will deny the request to transfer any marijuana item received by the dispensary on or after October 1, 2016 that does not comply with the applicable packaging and testing rules in OAR 845-025-7000 to 845-025-7060 and 845-025-5700, except as provided in subsection (c) of this section.
(c) The Commission will allow the transfer of marijuana items received by the dispensary prior to October 1, 2016 if:
(A) The marijuana item was tested in accordance with OAR 333-008-1190, if the item contains a label placed on the package where it can easily be seen by a consumer, patient or designated primary caregiver that reads "DOES NOT MEET NEW TESTING REQUIREMENTS" in 12 point font, and in bold, capital letters;
(B) The Marijuana item is packaged in a child resistant container as required by 845-025-7020(3).
(d) 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.
(e) 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.
(11) Marijuana items transferred under this rule may be retained in the retailer license’s inventory until March 1, 2017. Violation of this section is a Category III violation.

Stat. Auth.: ORS 475B.025
Stats. Implemented: 2016 OL Ch. 24, Sec. 25

845-025-3200
Definitions

For purposes of OAR 845-025-3200 to 845-025-3290:
(1) "Cannabinoid topical" means a cannabinoid product intended to be applied to skin or hair.
(2) "Food" means a raw, cooked, or processed edible substance, or ingredient used or intended for use or for sale in whole or in part for human consumption, or chewing gum.

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

845-025-3210
Endorsements
(1) A marijuana processor may only process and sell cannabinoid products, concentrates or extracts if the processor has received an endorsement from the Commission for that type of processing activity. Endorsements types are:
   (a) Cannabinoid edible processor;
   (b) Cannabinoid topical processor;
   (c) Cannabinoid concentrate processor; and
   (d) Cannabinoid extract processor.
(2) An applicant must request an endorsement upon submission of an initial application but may also request an endorsement at any time following licensure.
(3) In order to apply for an endorsement an applicant or processor licensee must submit a form prescribed by the Commission that includes a description of the type of products to be processed, a description of equipment to be used, and any solvents, gases, chemicals or other compounds proposed to be used to create extracts or concentrates.
(4) Only one application and license fee is required regardless of how many endorsements an applicant or licensee requests or at what time the request is made.
(5) An individual processor licensee may hold multiple endorsements.
(6) For the purposes of endorsements any cannabinoid product that is intended to be consumed or ingested orally or applied in the mouth is considered a cannabinoid edible.
(7) If a processor is no longer going to process the product for which the processor is endorsed the processor must notify the Commission in writing and provide the date on which the processing of that product will cease.
(8) The Commission may deny a processor’s request for an endorsement if the processor cannot or does not meet the requirements in OAR 845-025-3200 to 845-025-3290 for the endorsement that is requested. If the Commission denies approval the processor has a right to a hearing under the procedures of ORS chapter 183.

Stat. Auth.: ORS 475B.025 & 475B.090
Stats. Implemented: ORS 475B.090 & 475B.135

845-025-3215
Processor Privileges; Prohibitions

(1) A processor may:
   (a) Transfer, sell or transport:
      (A) Cannabinoid concentrates, extracts, and products for which the processor has an endorsement to a processor, wholesaler, retailer, non-profit dispensary, or research certificate holder; and
      (B) Marijuana 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, wholesaler, or research certificate holder;
      (B) Usable marijuana from a producer, 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 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.

Stat. Auth.: ORS 475B.025 & 475B.090
Stats. Implemented: ORS 475B.025, 475B.090, Sections 24, Chapter 23, Oregon Laws 2016 & Sections 12 & 65 Chapter 24, Oregon Laws 2016

845-025-3220
General Processor Requirements

(1) A processor must:
(a) Use equipment, counters and surfaces for processing that are food-grade and do not react adversely with any solvent being used.
(b) Have counters and surface areas that are constructed in a manner that reduce the potential for development of microbials, molds and fungi and that can be easily cleaned.
(c) Maintain the licensed premises in a manner that is free from conditions which may result in contamination and that is suitable to facilitate safe and sanitary operations for product preparation purposes.
(d) Store all marijuana items not in use in a locked area, including products that require refrigeration in accordance with OAR 845-025-1410.
(e) Assign every process lot a unique identification number and enter this information into CTS.

(3) A processor may not process, transfer or sell a marijuana item:
(a) That by its shape, design or flavor is likely to appeal to minors, including but not limited to:
   (A) Products that are modeled after non-cannabis products primarily consumed by and marketed to children; or
   (B) Products in the shape of an animal, vehicle, person or character.
   (b) That is made by applying cannabinoid concentrates or extracts to commercially available candy or snack food items.
   (c) That contains Dimethyl sulfoxide (DMSO).

(4) A processor may not treat or otherwise adulterate a cannabinoid product, concentrate or extract with any non-cannabinoid additive that would increase potency, toxicity or addictive potential, or that would create an unsafe combination with other psychoactive substances. Prohibited additives include but are not limited to nicotine, caffeine, chemicals that increase carcinogenicity or cardiac effects.

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

845-025-3230
Processor Policies and Procedures
A processor must create and maintain written, detailed standard policies and procedures that include but are not limited to:

1. Instructions for making each cannabinoid concentrate, extract or product.
2. The ingredients and the amount of each ingredient for each process lot;
3. The process for making each product;
4. The number of servings in a process lot;
5. The intended amount of THC per serving and in a unit of sale of the product;
6. The process for making each process lot homogenous;
7. If processing a cannabinoid concentrate or extract:
   a. Conducting necessary safety checks prior to commencing processing;
   b. Purging any solvent or other unwanted components from a cannabinoid concentrate or extract;
8. Procedures for cleaning all equipment, counters and surfaces thoroughly;
9. Procedures for preventing growth of pathogenic organisms and toxin formation;
10. Proper handling and storage of any solvent, gas or other chemical used in processing or on the licensed premises in accordance with material safety data sheets and any other applicable laws;
11. Proper disposal of any waste produced during processing in accordance with all applicable local, state and federal laws, rules and regulations;
12. Quality control procedures designed to maximize safety and minimize potential product contamination;
13. Appropriate use of any necessary safety or sanitary equipment; and
14. Emergency procedures to be followed in case of a fire, chemical spill or other emergency.

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

845-025-3240
Processor Training Requirements

1. A processor must have a comprehensive training program that includes, at a minimum, the following topics:
   a. The standard operating policies and procedures;
   b. The hazards presented by all solvents or other chemicals used in processing and on the licensed premises as described in the material safety data sheet for each solvent or chemical; and
   c. Applicable Commission statutes and rules.
2. At the time of hire and prior to engaging in any processing, and once yearly thereafter, each employee involved in the processing of a cannabinoid concentrate, extract or product must be trained in accordance with the processor’s training program.

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

845-025-3250
Cannabinoid Edible Processor Requirements
(1) A cannabinoid edible processor may only process in a food establishment licensed by the Oregon Department of Agriculture (ODA) and must comply with the applicable provisions of OAR 603, Division 21, Division 24, Division 25, with the exception of OAR 603-025-0020(17) and Division 28.

(2) A cannabinoid edible processor may not:
(a) Engage in processing in a location that is operating as a restaurant, seasonal temporary restaurant, intermittent temporary restaurant, limited service restaurant, single-event temporary restaurant, commissary, mobile unit, bed or breakfast, or warehouse licensed under ORS 624;
(b) Share a food establishment with a person not licensed and endorsed by the Commission as a cannabinoid edible processor;
(c) Process food intended for commercial sale that does not contain cannabinoids, at the licensed premises; or
(d) Use a cannabinoid concentrate or extract to process food unless that concentrate or extract was processed by a licensee in a food establishment licensed by the ODA in compliance with the applicable provisions of OAR chapter 603, Division 21, Division 24, Division 25, with the exception of OAR 603-025-0020(17), and Division 28.

(3) A cannabinoid edible processor may share a food establishment with another cannabinoid edible processor if:
(a) The schedule, with specific hours and days that each processor will use the food establishment, is prominently posted at the entrance to the food service establishment and has been approved by the Commission:
(A) The schedule must be submitted to the Commission in writing and will be approved if it demonstrates that use of a shared food establishment by multiple cannabinoid edible processors does not create an increased compliance risk.
(B) A processor licensee may only change the schedule with prior written approval from the Commission.
(b) In addition to the applicable requirements of OAR 845-025-1410, each licensee must designate a separate area to secure any marijuana, cannabinoid products, concentrates or extracts that a licensee stores at the food establishment. The designated area must only be accessible to the licensee. If a cannabinoid edible processor does not store marijuana, cannabinoid products, concentrates or extracts at the food establishment those items must be stored on a licensed premises.

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

(5) A cannabinoid edible processor is strictly liable for any violation found at a shared food establishment during that processor’s scheduled time or within that processor’s designated area in the food establishment.

Stat. Auth.: ORS 475B.025 & 475B.090
Stats. Implemented: ORS 475B.090 & 475B.135

845-025-3260
Cannabinoid Concentrate and Extract Processor Requirements
(1) Cannabinoid Concentrates or Extracts. A processor with a cannabinoid concentrate
or extract endorsement:
(a) May not use Class I solvents as those are classified in the Federal Drug
Administration Guidance, Table I, published in the Federal Register on December 24,
(b) Must:
(A) Only use a hydrocarbon-based solvent that is at least 99 percent purity.
(B) Only use a non-hydrocarbon-based solvent that is food-grade.
(C) Work in an environment with proper ventilation, controlling all sources of ignition
where a flammable atmosphere is or may be present.
(D) Use only potable water and ice made from potable water in processing.
(E) If making a concentrate or extract that will be used in a cannabinoid edible, be
endorsed as a cannabinoid edible processor and comply with OAR 845
3250.
(2) Cannabinoid Extracts. A processor with an endorsement to make cannabinoid
extracts:
(a) May not use pressurized canned flammable fuel, including but not limited to butane
and other fuels intended for use in camp stoves, handheld torch devices, refillable
cigarette lighters and similar consumer products.
(b) Must:
(A) Process in a:
(i) Fully enclosed room clearly designated on the current diagram of the licensed
premises.
(ii) Room and with equipment, including all electrical installations that meet the
requirements of the Oregon Structural Specialty Code, related Oregon Specialty Codes
and the Oregon Fire Code.
(B) Use a professional grade closed loop extraction system designed to recover the
solvents and built to codes of recognized and generally accepted good engineering
standards, such as those of:
(i) American National Standards Institute (ANSI);
(ii) Underwriters Laboratories (UL); or
(C) If using carbon dioxide in processing, use a professional grade closed loop carbon
dioxide gas extraction system where every vessel is rated to a minimum of six hundred
pounds per square inch.
(D) Have equipment and facilities used in processing approved for use by the local fire
code official.
(E) For extraction system engineering services, including but not limited to consultation
on and design of extraction systems or components of extraction systems, use the
services of a professional engineer registered with the Oregon State Board of
Examiners for Engineering and Land Surveying, unless an exemption under ORS
672.060 applies.
(F) Have an emergency eye-wash station in any room in which cannabinoid extract is
being processed.
(G) Have all applicable material safety data sheets readily available to personnel
working for the processor.
(3) Cannabinoid Concentrates. A processor with an endorsement to make cannabinoid concentrates:
   (a) May not:
      (A) Use denatured alcohol.
      (B) If using carbon dioxide, apply high heat or pressure.
   (b) Must only use or store dry ice in a well-ventilated room to prevent against the accumulation of dangerous levels of carbon dioxide.
   (c) May use:
      (A) A mechanical extraction process;
      (B) A chemical extraction process using a nonhydrocarbon-based or other solvent, such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol; or
      (C) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, provided that the process does not involve the use heat over 180 degrees or pressure.

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

845-025-3280
Cannabinoid Topical Processor

A processor with a cannabinoid topical endorsement may not engage in processing in a location that is operating as a restaurant, seasonal temporary restaurant, intermittent temporary restaurant, limited service restaurant or single-event temporary restaurant licensed under ORS 624.

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

845-025-3290
Recordkeeping

(1) A processor must keep records documenting the following:
   (a) How much marijuana is in each process lot;
   (b) If a product is returned by a licensee, how much product is returned and why;
   (c) If a defective product was reprocessed, how the defective product was reprocessed; and
   (d) Each training provided in accordance with OAR 845-025-3240, the names of employees who participated in the training, and a summary of the information provided in the training.

(2) A processor must obtain a material safety data sheet for each solvent used or stored on the licensed premises and maintain a current copy of the material safety data sheet and a receipt of purchase for all solvents used or to be used in an extraction process on the licensed premises.

(3) If the Commission requires a processor to submit or produce documents to the Commission that the processor believes falls within the definition of a trade secret as defined in ORS 192.501, the processor must mark each document “confidential” or “trade secret”.

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

Stat. Auth.: ORS 475.025
Stats. Implemented: Section 3, Chapter 83, Oregon Laws 2016

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 or an applicant that has submitted a complete application for registration of a marijuana processing site to the Authority 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, 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.

Stat. Auth.: ORS 475B.025
Stats. Implemented: 2016 OL Ch. 24, Sec. 25
RECREATIONAL MARIJUANA WHOLESALER

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 & 475B.100
Stats. Implemented: ORS 475B.100 & 475B.400 & Sections 24, Chapter 23, Oregon 
Laws 2016

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.

Stat. Auth.: ORS 475B.025 & 475B.075
Stats. Implemented: ORS 475B.075 and Section 1, Chapter 24, Oregon Laws 2016

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.

Stat. Auth.: ORS 475B.025
Stats. Implemented: Section 4, Chapter 83, Oregon Laws 2016

MARIJUANA TESTING LABORATORIES

845-025-5000
Laboratory License Privileges; Requirements

(1) A licensed marijuana testing laboratory may:
   (a) Obtain samples of marijuana items from licensees or registrants for the purpose of testing as provided in these rules and OAR 333-007-0300 to 333-007-0490 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
Laboratory Licensing Requirements

(1) General Requirements
(a) A laboratory that intends to collect samples or test marijuana items for producer, processor, wholesale, or retail licensees, or research certificate holders must be licensed by the Commission.
(b) An applicant for a license under this rule must comply with all applicable application requirements in OAR 845-025-1030 and pay the required application and license fees.
(c) A laboratory application is subject to the same application review procedures as other applicants.
(d) In addition to the denial criteria in OAR 845-025-1115, the Commission may refuse to issue a laboratory license for any violation ORS 475B.550 to 475B.590, OAR 333-007-0300 to 333-007-0490, OAR 333, Division 64 or these rules.
(e) In addition to the denial criteria in OAR 845-025-1115, the Commission may refuse to issue a laboratory license to any person who:
   (A) Holds a producer, processor, wholesaler or retail license;
   (B) Is registered with the authority under ORS 475B.420 and is a person designated to produce marijuana by a registry identification cardholder as that is defined in ORS 475B.410; or
   (C) Is registered with the authority under ORS 475B.435 or 475B.450.
(f) Laboratory application and license fees are established in OAR 845-025-1060.
(g) A laboratory that is only accredited to perform sampling may be designated as a Sampling Laboratory for purposes of the licensing fee in OAR 845-025-1060. This designation may only be changed upon license renewal.

(2) Accreditation by the Authority
(a) In addition to the requirements listed in section (1) of this rule, an applicant for a laboratory license must be accredited by the Authority under OAR 333, Division 64 for any cannabis sampling or testing the applicant will perform under OAR 333-007-0300 to 333-007-0490.
(b) An applicant for a license under this rule may apply for licensure prior to receiving accreditation, but the Commission will not issue a license until proof of accreditation is received. (c) The Commission may make efforts to verify or check on an applicant’s accreditation status during the licensing process, but an applicant bears the burden of taking all steps needed to secure accreditation and present proof of accreditation to the Commission.
(d) In addition to the denial criteria in OAR 845-025-1115, the Commission may consider an application incomplete if the applicant does not obtain accreditation from the Authority within six months of applying for a license. The Commission shall give an applicant an opportunity to be heard if an application is declared incomplete under this section, but an applicant is not entitled to a contested case proceeding under ORS chapter 183. An applicant whose application is declared incomplete may reapply at any time.
(e) A licensed laboratory must maintain accreditation by the Authority at all times while licensed by the Commission. If a laboratory’s accreditation lapses or is revoked at any time for any reason while licensed by the Commission, the laboratory may not perform any activities that are subject to the lapsed or revoked accreditation until it is reinstated.

(f) Exercising license privileges without proper accreditation is a Category I violation and could result in license revocation.

(3) Renewal.
(a) A laboratory must renew its license annually and pay the required renewal fees in accordance with OAR 845-025-1190.
(b) A laboratory renewal application may be denied for any violation of ORS 475B.550 to 475B.590, OAR 333-007-0300 to 333-007-0490, OAR 333, Division 64, or these rules.

Stat. Auth.: ORS 475B.560
Stats. Implemented: ORS 475B.560

845-025-5045
Laboratory Tracking and Reporting

(1) A laboratory licensee is required to utilize CTS for sampling or testing conducted for licensees and research certificate holders and follow all requirements established by OAR 845-025-7500 to OAR 845-025-7590.
(2) A laboratory licensee conducting sampling or testing for licensees is responsible for tracking and entering the following information into CTS:
(a) Receipt of samples for testing, including:
   (A) Size of the sample;
   (B) Name of licensee or research certificate holder from whom the sample was obtained;
   (C) Date the sample was collected; and
   (D) UID tag information associated with the harvest or process lot from which the sample was obtained.
(b) Tests performed on samples, including:
   (A) Date testing was performed;
   (B) What samples were tested for;
   (C) Name of laboratory responsible for testing; and
   (D) Results of all testing performed.
   (c) Disposition of any testing sample material.
(3) A laboratory must also comply with any recordkeeping requirements in OAR 333-007-0300 to 333-007-0490 and OAR 333, Division 64.

Stat. Auth.: ORS 475B.560
Stats. Implemented: ORS 475B.560

845-025-5060
Laboratory Transportation and Waste Disposal
(1) A laboratory licensee must follow OAR 845-025-7700 and any applicable rules in OAR 333-007-0300 to 333-007-0490 and OAR 333, Division 64 regarding transportation of marijuana items.
(2) A laboratory licensee must follow all rules regarding disposal of samples from marijuana items established in OAR 845-025-7750.

Stat. Auth.: ORS 475B.560
Stats. Implemented: ORS 475B.560

845-025-5075
Laboratory Licensee Prohibited Conduct

(1) In addition to the prohibitions set forth in OAR 845-025-8520, a laboratory licensee may not: (a) Perform any required marijuana sampling or testing using any sampling or testing methods or equipment not permitted under the laboratory’s accreditation through the Authority;
(b) Perform any required marijuana sampling or testing for any licensed marijuana producer, processor, wholesaler or retailer in which the laboratory licensee has a financial interest; or
(c) Engage in any activity that violates any provision of ORS Chapter 475B, OAR 333-007-0300 through OAR 333-007-0490 or OAR 333, Division 64 as applicable or these rules.
(2) The Commission may suspend or revoke a laboratory license for any violation of ORS 475B.550 to ORS 475B.590, OAR 333-007-0300 to 333-007-0490, OAR 333, Division 64, or these rules. The licensee has a right to a hearing under the procedures of ORS chapter 183; OAR chapter 137, division 003; and OAR chapter 845, division 003.
(3) A violation of this rule is a Category I violation and could result in license revocation.

Stat. Auth.: ORS 475B.560
Stats. Implemented: ORS 475B.560

RESEARCH CERTIFICATE

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
(i) 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 Commissions 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 & Sections 12 & 65, Chapter 24, Oregon Laws 2016

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 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, transferring to another certificate holder or transferring to another licensee.
      (B) Transfer more to another licensee than is permitted in the Commission's order granting the research certificate.
   (b) 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 & Sections 12 & 65, Chapter 24, Oregon Laws 2016

MARIJUANA WORKER PERMITS

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.

**Stats. Auth.: ORS 475B.215 & 475B.218**
Stats. Implemented: ORS 475B.215, 475B.218 & Sections 16 & 17, Chapter 23, Oregon Laws 2016

**845-025-5520**
**Marijuana Worker Applications**

(1) In order to obtain a marijuana worker permit an individual must submit an application on a form prescribed by the Commission. The application must contain the applicant’s:
(a) Name;
(b) Mailing address;
(c) Date of birth;
(d) Signature; and
(e) Response to conviction history questions.
(2) In addition to the application an applicant must submit:
(a) A copy of a driver’s license or identification card issued by one of the fifty states in the United States of America or a passport; and
(b) Proof of having passed the worker permit examination.
(3) If an application does not contain all the information requested or if the information required in section (2) of this rule is not provided to the Commission, the application will be returned to the individual as incomplete.
(4) If an application is returned as incomplete, the individual may reapply at any time.

**Stats. Auth.: ORS 475B.215 & 475B.218**
Stats. Implemented: ORS 475B.215 & 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 & 475B.218
Stats. Implemented: ORS 475B.215, 475B.218 & Section 13, Chapter 24, Oregon Laws 2016

845-025-5560
Marijuana Worker Examination Requirements

(1) An individual must, prior to applying for a marijuana worker permit pass the required examination.
(2) An individual must score at least 70 percent on the marijuana worker examination in order to pass.
(3) The Commission may require additional education or training for permit holders at any time, with adequate notice to permit holders.
Stat. Auth.: ORS 475B.215 & 475B.218
Stats. Implemented: ORS 475B.215 & 475B.218
845-025-5580
Marijuana Worker Renewal Requirements

(1) An individual must renew his or her marijuana worker permit every five years by submitting a renewal application, prescribed by the Commission and the applicable fee specified in OAR 845-025-1060.
(2) Renewal applications will be reviewed in accordance with OAR 845-025-5520 and 845-025-5540.
Stat. Auth.: ORS 475B.215 & 475B.218
Stats. Implemented: ORS 475B.215 & 475B.218

845-025-5590
Suspension or Revocation

(1) The Commission may suspend or revoke the permit of any marijuana worker if the worker:
(a) Has been convicted of a felony, except for a felony described ORS 475B.218(4)(a);
(b) Has violated a provision of ORS 475B.010 to 475B.395 or these rules; or
(c) Makes a material false statement to the Commission.
(2) The Commission may suspend or revoke the permit for any marijuana worker for any reasons that would be the basis for denying a permit application under OAR 845-025-5540.
(3) If an individual’s permit is revoked under sections (1)(b) or (c) of this rule future applications will be denied if received within two years of the date the final order of revocation was issued.
(4) A notice of suspension or revocation must be issued by the Commission in accordance with ORS 183.
Stat. Auth.: ORS 475B.215 & 475B.218
Stats. Implemented: ORS 475B.215 & 475B.218

TESTING

845-025-5700
Licensee Testing Requirements

(1) Licensees must comply with the Authority’s testing rules in OAR 333-007-0300 to 333-007-0490 and OAR 333, Division 64 prior to the sale or transfer of a marijuana item, as specified in those rules.
(2) A violation is this rule is a Category I violation.
Stat. Auth.: ORS 475B.550 & 475B.555
Stats. Implemented: ORS 475B.550 & 475B.555

845-025-5720
Labeling, Storage, and Security of Pre-Tested Marijuana Items

(1) Following samples being taken from a harvest or process lot batch a licensee must:
(a) Label the batch with the following information:
(A) The licensee’s license number;
(B) The harvest or process lot unique identification number;
(C) The name and accreditation number of the laboratory that took samples and the
name and accreditation number of the laboratory that will perform the testing, if
different;
(D) The test batch or sample unique identification numbers supplied by the laboratory
personnel;
(E) The date the samples were taken; and
(F) In bold, capital letters, no smaller than 12 point font, “PRODUCT NOT TESTED.”
(b) Store and secure the batch in a manner that prevents the product from being
tampered with or transferred or sold prior to test results being reported.
(c) Be able to easily locate a batch stored and secured under section (1)(b) of this rule
and provide that location to the Commission or a laboratory upon request.
(2) A batch may be stored in more than one receptacle as long as the labeling
requirements are met.
(3) If the samples pass testing the product may be sold or transferred in accordance
with the applicable Commission rules.
(4) If the samples do not pass testing the licensee must comply with OAR 845-025-5740
and 333-007-0450, as applicable.
Stat. Auth.: ORS 475B.550 & 475B.555
Stats. Implemented: ORS 475B.550 & 475B.555

845-025-5730
Wholesaler Coordination of Sampling and Testing

A wholesaler:
(1) May accept a batch, as that term is defined in OAR 333-007-0310 from a producer
or processor that:
(a) Has not been sampled or tested in accordance with OAR 333-007-0300 to 333-007-
0490, and OAR 333, Division 64 and may order tests and arrange for the sampling and
testing of the batch in accordance with OAR 333-007-0300 to 333-007-0490 and OAR
333, Division 64.
(b) Has been sampled but has not yet been tested in accordance with OAR 333-007-
0300 to 333-007-0490 and OAR 333, Division 64.
(2) Must secure, label, and store pre-tested marijuana items in accordance with OAR
845-025-5720.
(3) May not transfer or sell a marijuana item unless that marijuana item:
(a) Has been sampled and tested in accordance with OAR 333-007-0300 to 333-007-
0490 and OAR 333, Division 64.
(b) Has passed all the required tests in OAR 333-007-0300 to 333-007-0490.
(4) Is jointly and severally responsible for ensuring compliance with OAR 333-007-0300
to 333-007-0490 and OAR 333, Division 64 with the licensee who produced or
processed the marijuana item.
Stat. Auth.: ORS 475B.100 & 475B.555
Stats. Implemented: ORS 475B.100 & 475B.555
845-025-5740
Failed Test Samples

If a licensee fails a test the licensee must comply with OAR 333-007-0450.
Stat. Auth.: ORS 475B.550 & 475B.555
Stats. Implemented: ORS 475B.550 & 475B.555

845-025-5760
Audit, Compliance, and Random Testing

(1) The Commission may require a licensee to submit samples identified by the Commission to a laboratory of the licensee’s choosing to be tested in order to determine whether a licensee is in compliance with OAR 333-007-0300 through 333-007-0490 and may require additional testing that is not required by these rules.
(2) A laboratory doing audit testing must comply with these rules, to the extent they are applicable, and if conducting testing not required by these rules, may only use Authority approved methods.
(3) The commission must establish a process for the random testing of marijuana items for microbiological contaminants that ensures each licensee tests every product for microbiological contaminants at least once a year.
(4) The Commission may exempt a product that has successfully completed process validation in accordance with OAR 333-007-0440 from testing for microbiological contaminants.
Stat. Auth.: ORS 475B.550 & 475B.555
Stats. Implemented: ORS 475B.550 & 475B.555

845-025-5790
Marijuana Item Recalls

(1) The Commission may require a licensee to recall any marijuana item that the licensee has sold or transferred upon a finding that circumstances exist that pose a risk to public health and safety. A recall may be based on, but it not limited to, evidence that:
(a) Pesticides were used in the production of marijuana in violation of ORS 634 and OAR 603, Division 57;
(b) A marijuana item is contaminated or otherwise unfit for human use, consumption or application; or
(c) A marijuana item, including any marijuana, usable marijuana, cannabinoid concentrate or extract used in the processing of the marijuana item was not produced or processed by a licensee.
(2) If the Commission finds that a recall is required, the Commission must notify the public and licensees of the recall, may require a licensee to notify an individual to whom a marijuana item was sold and may require that the licensee destroy the recalled product.
Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.025 and 475B.030
PACKAGING AND LABELING

845-025-7000
Definitions

For the purposes of OAR 845-025-7000 to 845-025-7060:
(1) “Attractive to minors” means packaging, labeling and marketing that features:
   (a) Cartoons;
   (b) A design, brand or name that resembles a non-cannabis consumer product of the type that is typically marketed to minors;
   (c) Symbols or celebrities that are commonly used to market products to minors;
   (d) Images of minors
(2) “Cannabinoid” means any of the chemical compounds that are the active constituents of marijuana.
(3) “Cannabinoid concentrate or extract” means a substance obtained by separating cannabinoids from marijuana by a mechanical, chemical or other process.
(4) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate or extract or the dried leaves or flowers of marijuana have been incorporated.
(5)(a) “Cannabinoid product” means a cannabinoid edible or any other product intended for human consumption or use, including a product intended to be applied to a person’s skin or hair, that contains cannabinoids or the dried leaves or flowers of marijuana.
   (b) “Cannabinoid product” does not include:
      (A) Usable marijuana by itself;
      (B) A cannabinoid concentrate or extract by itself; or
      (C) Industrial hemp, as defined in ORS 571.300.
(6) "Cartoon" means any drawing or other depiction of an object, person, animal, creature or any similar caricature that satisfies any of the following criteria:
   (a) The use of comically exaggerated features;
   (b) The attribution of human characteristics to animals, plants or other objects, or the similar use of anthropomorphic technique; or
   (c) The attribution of unnatural or extra-human abilities, such as imperviousness to pain or injury, X-ray vision, tunneling at very high speeds or transformation.
(7) “Child resistant” means designed or constructed to be significantly difficult for children under five years of age to open and not difficult for adults to use properly.
(8) “Consumer”:
   (a) Has the meaning given that term in ORS 475B.015; or
   (b) Means a patient or designated primary caregiver receiving a transfer from a medical marijuana dispensary.
(9) “Container” means a sealed, hard or soft-bodied receptacle in which a marijuana item is placed prior to being sold to a consumer.
(10) “Exit Package” means a sealed container provided at the retail point of sale in which any marijuana items already within a container are placed.
(11) “Licensee” has the meaning given that term in OAR 845-025-1015.
(12) 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.
(13) “Marijuana item” means marijuana, usable marijuana, a cannabinoid product or a cannabinoid concentrate or extract.
(14) “Processing” means the compounding or conversion of marijuana into cannabinoid products or cannabinoid concentrates or extracts.
(15) “Producing” means:
(a) Planting, cultivating, growing, trimming or harvesting marijuana; or
(b) Drying marijuana leaves and flowers.
(16) “Registrant” means a person registered with the Authority under ORS 475B.420, 475B.435, or ORS 475B.450.
(17) Usable Marijuana.
(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.
Stat. Auth.: ORS 475B.615
Stats. Implemented: ORS 475B.600 & 475B.615

845-025-7020
Packaging for Sale to Consumer

(1) The purpose of this rule is to set the minimum standards for the packaging of marijuana items that are sold to the consumer, applicable to:
(a) A licensee; or
(b) On and after October 1, 2016, a registrant who is not exempt from the labeling requirements.
(2) Containers or packaging for marijuana items must protect a marijuana item from contamination and must not impart any toxic or deleterious substance to the marijuana item.
(3) Marijuana items for ultimate sale to a consumer, except for immature plants and seeds, must:
(a) Be packaged in a container that is child-resistant as certified by a qualified third party child-resistant package testing firm or placed within an exit package that is certified by a qualified third party child-resistant package testing firm prior to final sale to consumer;
(b) If the marijuana item is a cannabinoid product that contains more than 15 mg of THC, or if the item is an extract or concentrate, be packaged in a container or placed in an exit package that is capable of being resealed and made child resistant again after it has been opened, as certified by a qualified third party child-resistant package testing firm.
(c) Not be packaged or labeled in a manner that is attractive to minors; and
(d) Be labeled in accordance with OAR 333-007-0010 to 333-007-0100.
(4) Packaging may not contain any text that makes an untruthful or misleading statement.
(5) Nothing in this rule:
(a) Prevents the re-use of packaging that is capable of continuing to be child-resistant, as permitted by rules established by the Commission or the Authority; or
(b) Prohibits the Commission or the Authority from imposing additional packaging requirements in their respective rules governing licensees and registrants.
(6) A licensee or registrant must provide to the Commission or the Authority upon that agency’s request, additional information about the testing that was performed by the qualified third party child-resistant package testing firm in accordance with 16 CFR 1700.
Stat. Auth.: ORS 475B.615
Stats. Implemented: ORS 475B.070, 475B.090, 475B.100, 475B.110, 475B.615

845-025-7030
Labeling for Sale to Consumer

In addition to requirements of OAR 333-007-0010 to 333-007-0100, the Commission may require that marijuana items sold at retail be labeled with a Universal Product Code.
Stat. Auth.: ORS 475B.025 & 475B.605
Stats. Implemented: ORS 475B.025

845-025-7040
Wholesaler and Retailer Packaging and Labeling Compliance Requirements

(1) If a wholesaler or a retailer receives a marijuana item that is not packaged or labeled in accordance with OAR 845-025-7000 to 845-025-7060 or OAR 333-007-0010 to 333-007-0100, the wholesaler or retailer must notify the Commission and return the marijuana item to the licensee who transferred the wholesaler or retailer the marijuana item. The wholesaler or retailer must document the return and the reason for the return in the tracking system.
(2) Sale of a marijuana item that is not packaged and labeled in accordance with OAR 845-025-7000 to 845-025-7060 and OAR 333-007-0010 to 333-007-0100 is a category III violation.
Stat. Auth.: ORS 475B.615
Stats. Implemented: ORS 475B.100, 475B.110 & 475B.615

845-025-7060
Packaging and Labeling Pre-approval Process

(1) Prior to a marijuana item being sold to a consumer, a licensee, license applicant or a registrant, if pre-approval is required by the Authority, must submit an application for pre-approval by the Commission.
(a) The initial submission shall be made electronically if required by the Commission. The licensee, license applicant or registrant must submit a physical prototype upon request by the Commission.
(b) If a license applicant submits packages and labels for pre-approval final determination for packages and labels will not be made until the applicant has been issued a license.
(2) Except as provided in sections (7) to (9) of this rule, the packaging and labels must be accompanied by the following:
(a) A fee as specified in OAR 845-025-1060; and
(b) Information including but not limited to
(A) Documentation that the package has been certified for child resistance as defined by 16 CFR 1700 by a qualified third party child-resistant package testing firm.
(B) A picture of and description of the item to be placed in the package.
(3) The Commission will evaluate the packaging and label in order to determine whether:
(a) The packaging:
(A) Has been certified as child resistant by a qualified third party child-resistant package testing firm;
(B) Is attractive to minors or is marketed in a manner attractive to minors;
(C) Contains untruthful or misleading content;
(D) Will contain a marijuana item that is not compliant with ORS 475B, OAR 333, Divisions 7 and 8, or these rules.
(b) The label complies with the Authority’s labeling rules, OAR 333-007-0010 to 333-007-0100, or any additional labeling requirements in these rules.
(4) The Commission must review the packaging and labeling and notify the licensee, license applicant or registrant whether the packaging and labeling is approved, and if not approved, a description of the packaging or labeling deficiencies.
(5) If a licensee or registrant’s label is deficient it must correct the deficiencies and resubmit the label for pre-approval, but the licensee or registrant is not required to submit an additional fee unless the label is found deficient for a second time in which case the licensee must resubmit the packaging or labeling in accordance with section (1) of this rule.
(6) If a licensee, license applicant or registrant’s original packaging is deficient because it is not child resistant, the licensee, applicant or registrant may:
(a) Correct the deficiencies and resubmit the packaging for pre-approval. The licensee or registrant is not required to submit an additional fee unless the packaging is found deficient for a second time in which case the licensee may resubmit the packaging or labeling in accordance with subsection (1) of this rule; or
(b) The licensee, license applicant or registrant may indicate that they wish to satisfy the requirement that a marijuana item be in a container that is child-resistant by using an approved child-resistant exit package.
(7) If a licensee or registrant’s packaging is deficient for reasons other than child resistance it must correct the deficiencies and resubmit the packaging for pre-approval, but the licensee, applicant or registrant is not required to submit an additional fee unless the packaging is found deficient for a second time in which case the licensee must resubmit the packaging or labeling in accordance with subsection (1) of this rule.
A licensee, applicant or registrant may submit packaging and labeling for approval on the same application for a product that may have different flavors, colors or sizes if the product and packaging is otherwise identical. Applications for approval of packaging and labeling under this section are subject to a single application fee.

Packages and labels that have been previously approved do not need to be resubmitted if the only changes to the packaging or label are:

(a) Changes in the:
   (A) Harvest or processing date;
   (B) Strain;
   (C) Test results;
   (D) Net weight or volume; or
   (E) Harvest or process lot numbers.

(b) The deletion of any non-mandatory label information.

(c) The addition, deletion or change in the:
   (A) UPC barcodes or 2D mobile barcodes (QR codes); or
   (B) Website address, phone number, fax number, or zip code of the licensee or registrant.

(d) The repositioning of any label information on the package, as long as the repositioning of label information is consistent with OAR 333-007-0010 to 333-007-0100.

The Commission may publish a list of previously-approved commercially available packaging. Packaging identified on this list as approved for certain product types does not need to be submitted for approval if used for the type of product for which it is approved and the packaging does not contain any graphics, pictures or logos.

The Commission may publish a list of products whose package and label have been approved, but require an approved exit package in order to meet the child resistance requirement.

Labels for marijuana items do not require pre-approval if they contain only the information required by OAR 333-007-0010 to 333-007-0100 and have no graphics, pictures or logos.

Notwithstanding any provisions of this rule, the Commission may permit or require electronic submission of labels and packaging for approval.

SEED-TO-SALE TRACKING

845-025-7500

CTS Requirements

(1) A licensee must:
(a) Use CTS as the primary inventory and recording keeping system.
(b) Have a CTS account activated and functional prior to operating or exercising any privileges of the license and must maintain an active account while licensed.
(2) A licensee must have at least one license holder who is a CTS administrator. A
licensee may authorize additional license holders or licensee representatives to obtain
Administrator accounts.
(3) In order to obtain a CTS administrator account, a license holder must attend and
successfully complete all required CTS training, except as provided in section (4) of this
rule. The Commission may also require additional ongoing, continuing education for
individual administrators to retain his or her CTS administrator account.
(4) A licensee may designate licensee representatives as CTS users. A designated user
must be trained by a CTS administrator in the proper and lawful use of CTS.
Notwithstanding section (3) of this rule a licensee may designate a licensee
representative to attend and successfully complete required CTS training so long as
both the licensee and the designated representative obtain CTS administrator accounts.
(5) A licensee must:
(a) Maintain an accurate and complete list of all CTS administrators and CTS users for
each licensed premises and must update the list when a new CTS user is trained.
(b) Train and authorize any new CTS users before those users are permitted to access
CTS or input, modify, or delete any information in CTS.
(c) Cancel any CTS administrator or user from an associated CTS account if that
individual is no longer a licensee representative or the administrator or user has violated
OAR 845-025-7500 to 845-025-7590.
(d) Correct any data that is entered into CTS in error.
(6) A licensee is accountable for all actions licensee representatives take while logged
into CTS or otherwise conducting inventory tracking activities.
(7) Nothing in this rule prohibits a licensee from using secondary separate software
applications to collect information to be used by the business including secondary
inventory tracking or point of sale systems. If a licensee uses a separate software
application that links to the CTS system it must get approval from the CTS vendor
contracting with the Commission and the software application must:
(a) Accurately transfer all relevant CTS data to and from CTS for the purposes of
reconciliations with any secondary systems.
(b) Preserve original CTS data when transferred to and from a secondary application.
(8) If at any point a licensee loses access to CTS for any reason, the licensee must
keep and maintain comprehensive records detailing all tracking inventory activities that
were conducted during the loss of access.
(a) Once access is restored, all inventory tracking activities that occurred during the loss
of access must be entered into CTS.
(b) A licensee must document when access to the system was lost and when it was
restored.
(c) A licensee may not transport any marijuana items to another licensed premises until
such time as access is restored and all information is recorded into CTS.
Stat. Auth.: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.110 & 475B.560
Stats. Implemented: ORS 475B.150

845-025-7520
Unique Identification (UID) Tags
(1) A licensee must:
(a) Use UID tags issued by a Commission-approved vendor that is authorized to provide UID tags for CTS. Each licensee is responsible for the cost of all UID tags and any associated vendor fees.
(b) Have an adequate supply of UID tags at all times, except that the licensee is not required to have UID tags during the first ten calendar days of licensure so long as UID tags have been ordered and are in transit to the licensee.
(c) Tag individual marijuana plants with a UID tag no later than when each plant reaches a height of eight inches, and properly tag all other inventory with a UID tag pursuant to the system requirements of CTS.
(d) Place tags in a position that can be clearly read by an individual standing next to the item and the tag must be kept free from dirt and debris.
(2) A licensee may only tag and package together identical items for transport to another licensee, except for mixed lots of usable marijuana, cannabinoid concentrates or extracts that are transferred to a processor license to be processed.

Stat. Auth.: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.110 & 475B.560
Stats. Implemented: ORS 475B.150

845-025-7540
CTS User Requirements

(1) A licensee and any designated CTS administrator or user shall enter data into CTS that fully and transparently accounts for all inventory tracking activities.
(2) A licensee is responsible for the accuracy of all information entered into CTS.
(3) An individual entering data into the CTS system may only use that individual’s CTS account. Each CTS administrator and CTS user must have a unique log-on and password, which may not be used by any other person.
(4) A violation of this rule is a Category III violation. Intentional misrepresentation of data entered into the CTS system is a Category I violation.

Stat. Auth.: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.110 & 475B.560
Stats. Implemented: ORS 475B.150

845-025-7560
System Notifications

A licensee must:
(1) Monitor all compliance notifications from CTS and resolve the issues detailed in the compliance notification in a timely fashion. A licensee may not dismiss a compliance notification in CTS until the licensee resolves the compliance issues detailed in the notification.
(2) Take appropriate action in response to informational notifications received through CTS, including but not limited to notifications related to UID billing, enforcement alerts, and other pertinent information.

Stat. Auth.: ORS 475B.025, 475B.070, 475B.090, 475B.100, 475B.110 & 475B.560
Stats. Implemented: ORS 475B.150
845-025-7570
Cultivation Batches

(1) A producer must establish cultivation batches consisting of marijuana plants less than 8 inches tall, seeds and tissue cultures and assign each cultivation batch a unique identification number.
(2) A cultivation batch may not have more than 100 marijuana plants less than 8 inches tall.
(3) A producer may have an unlimited number of cultivation batches at any one time.
Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.070 & 475B.150

845-025-7580
Reconciliation with Inventory

(1) All licensees must:
  (a) Use CTS for all inventory tracking activities at a licensed premises;
  (b) Reconcile all on-premises and in-transit marijuana item inventories each day in CTS at the close of business pursuant to system requirements; and
  (c) Record all required information for seeds, usable marijuana, cannabinoid concentrates and extracts by weight.
  (d) Record the wet weight of all harvested marijuana plants immediately after harvest.
  (e) Record all required information for cannabinoid products by unit count but must also record the weight per unit of a product.
(2) The requirements in section (1)(b) 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.
(3) The requirements in section (1)(b) of this rule do not apply to marijuana items held by a laboratory licensee that are undergoing analytical testing required by these rules or OAR 333-007-0300 to 333-007-0490 so long as the marijuana items do not leave the laboratory’s licensed premises and are reconciled on the same day that the analytical testing concludes.
(4) In addition to the requirements in section (1) of this rule retailers must record the price and amount of each item sold to consumers and the date of each transaction in CTS at the close of every business day.
Stat. Auth.: ORS 475B.025, 475B.
Stats. Implemented: ORS 475B.150

845-025-7590
Inventory Audits

The Commission may perform a physical audit of the inventory of any licensee at the agency’s discretion and with reasonable notice to the licensee. Variances between the physical audit and the inventory reflected in CTS at the time of the audit, which cannot be attributed to normal moisture variation in usable marijuana, are violations. The
Commission may impose a civil penalty, suspend or revoke a licensee for violation of this section.
Stat. Auth.: ORS 475B.025, 475B.070, 475B.090, 475B.100 & 475B.110
Stats. Implemented: ORS 475B.160

TRANSPORTATION AND DELIVERY

845-025-7700
Transportation and Delivery of Marijuana Items

(1) Marijuana items may only be transferred between licensed premises by a licensee or licensee representative.
(2) An individual authorized to transport marijuana items must have a valid Oregon Driver's License.
(3) A licensee must:
   (a) Keep marijuana items in transit shielded from public view;
   (b) Use a vehicle for transport that is:
       (A) Insured at or above the legal requirements in Oregon;
       (B) Capable of securing (locking) the marijuana items during transportation;
       (C) Equipped with an alarm system; and
       (D) Capable of being temperature controlled if perishable marijuana items are being transported.
   (c) Using CTS, generate a printed transport manifest that accompanies every transport of marijuana items that contains the following information:
       (A) The name, contact information of a licensee representative, licensed premises address and license number of the licensee transporting the marijuana items;
       (B) The name, contact information of the licensee representative, licensed premises address, and license number of the licensee receiving the delivery;
       (C) Product name and quantities (by weight or unit) of each marijuana item contained in each transport, along with the UIDs for every item;
       (D) The date of transport and approximate time of departure;
       (E) Arrival date and estimated time of arrival;
       (F) Delivery vehicle make and model and license plate number; and
       (G) Name and signature of the licensee’s representative accompanying the transport.
(4) A licensee must generate the manifest required by section (3)(c) of this rule at least 24 hours in advance of initiating transportation if the marijuana items transported pursuant to the manifest exceed:
   (a) 25 pounds of usable marijuana;
   (b) One pound of cannabinoid concentrate or extract; or
   (c) 1000 units of sale of any individual cannabinoid product.
(5) A licensee may not void or change a transportation manifest after departing from the originating premises.
(6) All marijuana items must be packaged in shipping containers and labeled with a UID tag prior to transport.
(7) A licensee must provide a copy of the transport manifest to each licensed premises receiving the inventory described in the transport manifest, but in order to maintain
transaction confidentiality, may prepare a separate manifest for each receiving licensed premises.

(8) A licensee must provide a copy of the printed transport manifest and any printed receipts for marijuana items delivered to law enforcement officers or other representatives of a government agency if requested to do so while in transit.

(9) A licensee must contact the Commission immediately, or as soon as possible under the circumstances, if a vehicle transporting marijuana items is involved in any accident that involves product loss.

(10) Upon receipt of inventory a receiving licensee must ensure that the marijuana items received are as described in the transport manifest.

(11) A receiving licensee must separately document any differences between the quantity specified in the transport manifest and the quantities received. Such documentation shall be made in CTS and in any relevant business records.

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

(13) Any vehicle transporting marijuana items must travel directly from the shipping licensee to the receiving licensee and must not make any unnecessary stops in between except to other licensed premises receiving inventory.

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

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

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

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

WASTE MANAGEMENT

845-025-7750
Waste Management

(1) A licensee must:
(a) Store, manage and dispose of solid and liquid wastes generated during marijuana production and processing in accordance with applicable state and local laws and regulations which may include but are not limited to:
(A) Solid waste requirements in ORS 459 and OAR 340 Divisions 93 to 96;
(B) Hazardous waste requirements in ORS 466 and OAR 340, Divisions 100 to 106; and
(C) Wastewater requirements in ORS 468B and OAR 340, Divisions 41 to 42, 44 to 45, 53, 55 and 73.
(b) Store marijuana waste in a secured waste receptacle in the possession of and under the control of the licensee.
(c) If the waste is generated post-harvest or if an entire marijuana plant greater than 8 inches tall is designated as waste, the waste must be held on the licensed premises for at least three business days prior to disposal.

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

(3) In addition to information required to be entered into CTS pursuant to OAR 845-025-7500, a licensee must maintain accurate and comprehensive records regarding waste material that accounts for, reconciles, and evidences all waste activity related to the disposal of marijuana.

Stat. Auth.: ORS 475B.025, 475B.070 & 475B.090
Stats. Implemented: ORS 475B.070, 475B.090, 475B.100 & 475B.150

ADVERTISING

845-025-8000
Purpose and Application of Rules

(1) The Commission serves the interests of the citizens of Oregon by regulating and prohibiting advertising marijuana items in a manner:
(a) That is attractive to minors;
(b) That promotes excessive use;
(c) That promotes activity that is illegal under Oregon law; or
(d) That otherwise presents a significant risk to public health and safety.

(2) The Commission also serves the interests of Oregonians by allowing advertising for the purpose of informing the public of the availability and characteristics of marijuana.

(3) All marijuana advertising by a licensee must conform to these rules.

Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.025

845-025-8020
Definitions

As used in OAR 845-025-8000 through 845-025-8080:
(1) "Advertising" is publicizing the trade name of a licensee together with words or symbols referring to marijuana or publicizing the brand name of marijuana or a marijuana product.

(2) "Billboard" means a large outdoor advertising structure.

(3) "Handbill" is a flyer, leaflet, or sheet that advertises marijuana.

(4) "Radio" means a system for transmitting sound without visual images, and includes broadcast, cable, on-demand, satellite, or internet programming. Radio includes any audio programming downloaded or streamed via the internet.

(5) "Television" means a system for transmitting visual images and sound that are reproduced on screens, and includes broadcast, cable, on-demand, satellite, or internet programming. Television includes any video programming downloaded or streamed via the internet.

Stat. Auth.: ORS 475B.025
845-025-8040
Advertising Restrictions

(1) Marijuana advertising may not:
   (a) Contain statements that are deceptive, false, or misleading;
   (b) Contain any content that can reasonably be considered to target individuals under the age of 21, including but not limited to images of minors, cartoon characters, toys, or similar images and items typically marketed towards minors;
   (c) Specifically encourages the transportation of marijuana items across state lines;
   (d) Assert that marijuana items are safe because they are regulated by the Commission or have been tested by a certified laboratory or otherwise make claims that any government agency endorses or supports marijuana;
   (e) Make claims that recreational marijuana has curative or therapeutic effects;
   (f) Display consumption of marijuana items;
   (g) Contain material that encourages the use of marijuana because of its intoxicating effect; or
   (h) Contain material that encourages excessive or rapid consumption.

(2) A licensee may not make any deceptive, false, or misleading assertions or statements on any informational material, any sign, or any document provided to a consumer.

(3) A licensee must include the following statement on all advertising:
   (a) "Do not operate a vehicle or machinery under the influence of this drug".
   (b) "For use only by adults twenty-one years of age and older."
   (c) "Keep out of the reach of children."

Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.025

845-025-8060
Advertising Media, Coupons, and Promotions

(1) The Commission prohibits advertising through handbills that are posted or passed out in public areas such as parking lots and publicly owned property.
(2) A licensee may not utilize television, radio, billboards, print media or internet advertising unless the licensee has reliable evidence that no more than 30 percent of the audience for the program, publication or internet web site in or on which the advertising is to air or appear is reasonably expected to be under the age of 21.
(3) A licensee may not engage in advertising via marketing directed towards location-based devices, including but not limited to cellular phones, unless the marketing is a mobile device application installed on the device by the owner of the device who is 21 years of age or older and includes a permanent and easy opt-out feature.

Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.025
Removal of Objectionable and Non-Conforming Advertising

(1) A licensee must remove any sign, display, or advertisement if the Commission finds it violates these rules.
(2) The Commission will notify the licensee and specify a reasonable time period for the licensee to remove any sign, display or advertisement that the Commission finds objectionable.

Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.025

INVESTIGATION AND ENFORCEMENT

845-025-8500
Responsibility of Licensee, Responsibility for Conduct of Others

Each licensee is responsible for violations of any provision of ORS 475B affecting the licensed privileges, or these rules and for any act or omission of a licensee representative that violates any law, administrative rule, or regulation affecting the licensed privileges.

Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.025

845-025-8520
Prohibited Conduct

(1) Sale to a Minor. A licensee or permittee may not sell, deliver, transfer or make available any marijuana item to a person under 21 years of age.
(a) Violation of this section for an intentional sale to a minor by a licensee, permittee or license representative is a Category II violation.
(b) Violation of this section for other than intentional sales is a Category II(b) violation.
(2) Identification. A licensee or license representative must require a person to produce identification as required by ORS 475B.170 before selling or providing a marijuana item to that person. Violation of this section is a Category IV violation.
(3) Access to Premises. A licensee or permittee may not:
(a) During regular business hours for the licensed premises, refuse to admit or fail to promptly admit a Commission regulatory specialist who identifies him or herself and who enters or wants to enter a licensed premises to conduct an inspection to ensure compliance with ORS 475B affecting the licensed privileges; or these rules;
(b) Outside of regular business hours or when the premises appear closed, refuse to admit or fail to promptly admit a Commission regulatory specialist who identifies him or herself and requests entry on the basis that there is a reason to believe a violation of ORS 475B affecting the licensed privileges; or these rules is occurring; or
(c) Once a regulatory specialist is on the licensed premises, ask the regulatory specialist to leave until the specialist has had an opportunity to conduct an inspection to ensure compliance with ORS 475B affecting the licensed privileges; or these rules.
(d) Violation of this section is a Category II violation.
(4) Use or Consumption of Intoxicants on Duty and Under the Influence on Duty.
(a) No licensee, licensee representative, or permittee may consume any intoxicating substances while on duty, except for employees as permitted under OAR 845-025-1230(5)(b). Violation of this subsection is a Category III violation.
(b) No licensee, licensee representative, or permittee may be under the influence of intoxicating substances while on duty. Violation of this subsection is a Category II violation.
(c) Whether a person is paid or scheduled for a work shift is not determinative of whether the person is considered “on duty.”
(d) As used in this section:
(A) “On duty” means:
(i) From the beginning to the end of a work shift for the licensed business, including any and all coffee, rest or meal breaks; or
(ii) Performing any acts on behalf of the licensee or the licensed business outside of a work shift if the individual has the authority to put himself or herself on duty.
(B) “Intoxicants” means any substance that is known to have or does have intoxicating effects, and includes alcohol, marijuana, or any other controlled substances.
(5) Permitting Use of Marijuana at Licensed Premises. A licensee or permittee may not permit the use or consumption of marijuana, or any other intoxicating substance, anywhere in or on the licensed premises, or in surrounding areas under the control of the licensee, except for employees as permitted under OAR 845-025-1230(5)(b). Violation of this section is a Category III violation.
(6) Import and Export. A licensee or permittee may not import marijuana items into this state or export marijuana items out of this state. Violation of this section is a Category I violation and could result in license or permit revocation.
(7) Permitting, Disorderly or Unlawful Conduct. A licensee or permittee may not permit disorderly activity or activity that is unlawful under Oregon state law on the licensed premises or in areas adjacent to or outside the licensed premises under the control of the licensee.
(a) If the prohibited activity under this section results in death or serious physical injury, or involves unlawful use or attempted use of a deadly weapon against another person, or results in a sexual offense which is a Class A felony such as first degree rape, sodomy, or unlawful sexual penetration, the violation is a Category I violation and could result in license or permit revocation.
(b) If the prohibited activity under this section involves use of a dangerous weapon against another person with intent to cause death or serious physical injury, it is a Category II violation.
(c) As used in this section:
(A) "Disorderly activities" means activities that harass, threaten or physically harm oneself or another person.
(B) “Unlawful activity” means activities that violate the laws of this state, including but not limited to any activity that violates a state criminal statute.
(d) The Commission does not require a conviction to establish a violation of this section except as required in ORS 475B.045.
(8) Marijuana as a Prize, Premium or Consideration. No licensee or permittee may give or permit the giving of any marijuana item as a prize, premium, or consideration for any
lottery, contest, game of chance or skill, exhibition, or any competition of any kind on the licensed premises.

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

(10) Additional Prohibitions. A licensee or permittee may not:
(a) Sell or deliver any marijuana item through a drive-up window.
(b) Sell or offer for sale any marijuana item for a price per item that is less than the licensee’s cost for the marijuana item;
(c) Use any device or machine that both verifies the age of the consumer and delivers marijuana to the consumer; or
(d) Deliver marijuana to a consumer off the licensed premises, except that retail licensees may provide delivery as set forth in OAR 845-025-2880.
(e) Violation of this subsection is a Category III violation.

Stat. Auth.: ORS 475B.025, 475B.070, 475B.090, 475B.100 & 475B.110
Stats. Implemented: ORS 475B.070, 475B.090, 475B.100, 475B.110, 475B.185, 475B.270 & 475B.275

845-025-8540
Dishonest Conduct

(1) False Statements. A licensee or permittee may not:
(a) Make a false statement or representation to the Commission or law enforcement in order to induce or prevent action or investigation by the Commission or law enforcement. Violation of this subsection is a Category II violation.
(b) If the Commission finds that the false statement or representation was intentional, the Commission may charge the violation as a Category I violation and could result in license or permit revocation.

(2) Marijuana Item Misrepresentations.
(a) A licensee or permittee may not misrepresent any marijuana item to a consumer, licensee, or the public, including:
(A) Misrepresenting the contents of a marijuana item;
(B) Misrepresenting the testing results of a marijuana item;
(C) Misrepresenting the potency of a marijuana item; or
(D) Making representations or claims that the marijuana item has curative or therapeutic effects.
(b) A licensee may not treat or otherwise adulterate usable marijuana with any chemical, biologically active drug, plant, substance, including nicotine, or other compound that has the effect or intent of altering the usable marijuana’s color, appearance, weight or smell or that has the effect or intent of increasing potency, toxicity or addictiveness.
(c) A knowing or intentional violation of this section is a Category I violation and could result in license or permit revocation.
(d) Violation of this section in any manner other than knowing or intentional is a Category II violation.

(3) Supply of Adulterated Marijuana Items.
(a) A licensee may not supply adulterated marijuana items.
(b) Violation of this section is a Category I violation and could result in license revocation.
(4) Evidence. A licensee or permittee may not:
(a) Intentionally destroy, damage, alter, remove or conceal potential evidence, or attempt to do so, or ask or encourage another person to do so. Violation of this subsection is a Category I violation and could result in license revocation.
(b) Destroy, damage, alter, remove or conceal potential evidence, or attempt to do so, or ask or encourage another person to do so, in any manner other than intentional. Violation of this subsection is a Category II violation.
(c) Refuse to give, or fail to promptly give, a Commission regulatory specialist or law enforcement officer evidence when lawfully requested to do so. Violation of this subsection is a Category II violation.

Stat. Auth.: ORS 475B.025, 475B.070, 475B.090, 475B.100, & 475B.110
Stats. Implemented: ORS 475B.205

845-025-8560
Inspections

(1) The Commission may conduct:
(a) A complaint inspection at any time following the receipt of a complaint that alleges a licensee or permittee is in violation of ORS 475B or these rules;
(b) An inspection at any time if it believes, for any reason, that a licensee or permittee is in violation ORS 475B or these rules; or
(c) Compliance transactions in order to determine whether a licensee or permittee is complying with ORS 475B or these rules.
(2) A licensee, licensee representative, or permittee must cooperate with the Commission during an inspection.
(3) If licensee, licensee representative or permittee fails to permit the Commission to conduct an inspection the Commission may seek an investigative subpoena to inspect the premises and gather books, payrolls, accounts, papers, documents or records.

Stat. Auth.: ORS 475B.025, 475B.070, 475B.090, 475B.100 & 475B.110
Stats. Implemented: ORS 475B.285 & 475B.635

845-025-8570
Uniform Standards for Minor Decoy Operations

(1) Purpose. ORS 475B prevents anyone who has not reached 21 years of age from obtaining marijuana or marijuana items. It is the Commission’s intention that decoy operations are to be an impartial test of a licensee’s ability and willingness to obey laws on preventing sale marijuana or marijuana items to minors.
(2) Uniform standards for minors used in minor decoy operations:
(a) The minor must be under 21 years of age; and
(b) The minor may not use false identification; and
(c) The minor may not lie about their age.
(3) Uniform standards for coordination with law enforcement agencies. The Commission will coordinate with law enforcement agencies to ensure, to the greatest extent possible, that:
(a) Law enforcement agencies are informed of the Commission's uniform standards for minor decoy operations; and
(b) Law enforcement agencies provide the Commission with copies of their minor decoy policies.
(4) In order for the Commission to process violation cases in a timely manner, law enforcement agencies will be encouraged to provide the Commission with the results of any minor decoy operation.
(5) Licensees or any employee of a licensee must immediately return identification presented by the minor decoy upon request of law enforcement or an OLCC representative.

Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.025

845-025-8580
Suspended Licenses: Posting of Suspension Notice Sign, Activities Allowed During Suspension

(1) Before 7:00 a.m. on the date a license suspension goes into effect, and until the suspension is completed, Commission staff must ensure that a suspension notice sign is posted on each outside entrance or door to the licensed premises.
(2) The suspension notice sign must be posted in a way that allows any person entering the premises to read it. Licensees must use the suspension notice sign provided by the Commission. The sign will state that the license has been suspended by order of the Commission due to violations of the recreational marijuana laws (statutes or administrative rule) of Oregon. If there are multiple licenses at the location, the sign will specify which license privileges have been suspended.
(3) During the period of license suspension, the licensee is responsible for ensuring:
(a) Compliance with all applicable laws and rules; and
(b) That the suspension notice sign is not removed, altered, or covered.
(4) A licensee or licensee representative may not allow the sale, delivery to or from, or receipt of marijuana items at the licensed premises during the period of time that the license is under suspension. During a period of time that the license is under suspension, a recreational marijuana licensee may operate the business provided there is no sale, delivery to or from, or receipt of a marijuana item.
(5) Sanction:
(a) A violation of section (4) of this rule is a Category I violation.
(b) A violation of sections (2) or (3)(b) of this rule is a Category IV violation.
Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.295 & 475B.635

845-025-8590
Suspension, Revocation, Civil Penalties, Sanction Schedule
(1) The Commission may suspend or revoke:
(a) A license issued under ORS 475B.010 to 475B.395 or 475B.560.
(b) A marijuana worker permit issued under ORS 475B.215.
(c) A research certificate issued under ORS 475B.235.
(2) The Commission may impose a civil penalty under ORS 475B.295. Civil penalties will be calculated by multiplying:
(a) The number of days in a suspension, if suspension could be or is being imposed, by $165 for licensees or certificate holders; or
(b) The number of days in a suspension, if suspension could be or is being imposed, by $25 for permittees.
(3) The Commission uses the following violation categories:
(a) Category I -- Violations that make licensee ineligible for a license;
(b) Category II -- Violations that create a present threat to public health or safety;
(c) Category II (b) -- Violations for sales to a minor;
(d) Category III -- Violations that create a potential threat to public health or safety;
(e) Category IV -- Violations that create a climate conducive to abuses associated with the sale or manufacture of marijuana items;
(f) Category V -- Violations inconsistent with the orderly regulation of the sale or manufacture of marijuana items.
(4) Violation sanctions
(a) The Commission may sanction a licensee or permittee in accordance with the guidelines set forth in Exhibit 1, incorporated by reference. Exhibit 1 also contains the categories for the most common violations.
(b) Exhibit 1 lists the proposed sanctions for single or multiple violations that occur within a two year period for each category described in section (3) of this rule. The Commission may allege multiple violations in a single notice or may count violations alleged in notices issued within the previous two year period toward the total number of violations. In calculating the total number of violations, the Commission may consider a proposed violation for which the Commission has not yet issued a final order.
(c) The proposed sanctions in Exhibit 1 are guidelines. If the Commission finds one or more mitigating or aggravating circumstances, it may assess a lesser or greater sanction, up to and including revocation. The Commission may decrease or increase a sanction to prevent inequity or to take account of particular circumstances in the case.
(d) Mitigating circumstances include, but are not limited to:
(A) Making a good faith effort to prevent a violation.
(B) Extraordinary cooperation in the violation investigation demonstrating the licensee or permittee accepts responsibility.
(e) Aggravating circumstances include, but are not limited to:
(A) Receiving a prior warning about one or more compliance problems.
(B) Repeated failure to comply with laws.
(C) Failure to use age verification equipment purchased as an offset to a previous penalty.
(D) Efforts by licensee or permittee to conceal a violation.
(E) Intentionally committing a violation.
(F) A violation involving more than one consumer or employee.
(G) A violation involving a juvenile.
(H) A violation resulting in injury or death.
(I) A violation that occurred at a licensed premises that has been granted a security waiver.
(J) Three or more violations within a two-year-period, regardless of the category, where the number of the proposed or final violations indicate a disregard for the law or failure to control the premises.
(5) A licensee may not avoid the sanction for a violation or the application of the provision for successive violations by changing the corporate structure for example, by adding or dropping a partner or converting to another form of legal entity when the individuals who own, operate, or control the business are substantially similar.

Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.210, 475B.295, 475B.560 & 475B.635

Exhibit 1, OAR 845-025-8590
Oregon Liquor Control Commission
Recreational Marijuana Sanctions

<table>
<thead>
<tr>
<th>Category</th>
<th>1 Violation in a 2-year period</th>
<th>2 Violations in a 2-year period</th>
<th>3 Violations in a 2-year period</th>
<th>4 Violations in a 2-year period</th>
<th>5 Violations in a 2-year period</th>
<th>6 Violations in a 2-year period</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Revoke</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>II</td>
<td>30 days</td>
<td>Revoke</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>II(b)</td>
<td>10 days or $1650</td>
<td>10 days</td>
<td>30 days</td>
<td>Revoke</td>
<td></td>
<td></td>
</tr>
<tr>
<td>III</td>
<td>10 days or $1650</td>
<td>30 days or $4950</td>
<td>30 days</td>
<td></td>
<td>Revoke</td>
<td></td>
</tr>
<tr>
<td>IV</td>
<td>7 days or $1155</td>
<td>10 days or $1650</td>
<td>20 days or $3300</td>
<td>30 days</td>
<td></td>
<td>Revoke</td>
</tr>
<tr>
<td>V</td>
<td>3 days or $495</td>
<td>7 days or $1155</td>
<td>10 days or $1650</td>
<td>20 days or $3300</td>
<td>30 days</td>
<td>Revoke</td>
</tr>
</tbody>
</table>

Categories for Most Common Violations

<table>
<thead>
<tr>
<th>Category</th>
<th>Violation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Conviction of a felony (licensee)</td>
</tr>
<tr>
<td></td>
<td>Operating other than the license permits</td>
</tr>
<tr>
<td></td>
<td>Intentional false statement to the Commission</td>
</tr>
<tr>
<td></td>
<td>Intentional destruction or concealment of evidence</td>
</tr>
<tr>
<td>I</td>
<td>Intentional failure to pay taxes to Department of Revenue</td>
</tr>
</tbody>
</table>
### Category: Violation

<table>
<thead>
<tr>
<th>Violation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permitted noisy, disorderly or unlawful activity that results in death or serious physical injury, or that involves unlawful use or attempted use of a deadly weapon against another person, or that results in a sexual offense which is a Class A felony, such as first degree rape, sodomy, or unlawful sexual penetration</td>
</tr>
<tr>
<td>Failure to notify prior to complete change of ownership/allowed interest in licensed business without prior Commission approval</td>
</tr>
<tr>
<td>Operated licensed business while suspended</td>
</tr>
<tr>
<td>False statement or representation to Commission (other than intentional)</td>
</tr>
<tr>
<td>Under the influence of intoxicants while on duty</td>
</tr>
<tr>
<td>Failure to verify the age of a minor (intentional)</td>
</tr>
<tr>
<td>Failure to promptly admit regulatory specialist or law enforcement into licensed retail premises</td>
</tr>
<tr>
<td>Destruction or concealment of evidence (other than intentional)</td>
</tr>
<tr>
<td>Denial of access by law enforcement or regulatory specialist to the licensed premises during regular business hours</td>
</tr>
<tr>
<td>Permitted noisy, disorderly or unlawful activity that involves use of a dangerous weapon against another person with intent to cause death or serious physical injury</td>
</tr>
<tr>
<td>Failure to promptly admit regulatory specialist or law enforcement onto the licensed premises when premises appear closed (for producer, processor, wholesale or lab licensees, and research certificate holders)</td>
</tr>
<tr>
<td>Failure to permit premises or records inspection</td>
</tr>
<tr>
<td>Permitted minor to enter or remain in a prohibited area</td>
</tr>
<tr>
<td>Conviction of a crime other than a felony (licensee)</td>
</tr>
<tr>
<td>Permitted sales by an employee without a marijuana worker permit</td>
</tr>
<tr>
<td>Sold or made recreational marijuana available to a visibly intoxicated person</td>
</tr>
<tr>
<td>Consumption of marijuana, alcohol or other intoxicants while on duty</td>
</tr>
<tr>
<td>Permitted consumption (by employees, customers or the public) of alcohol, marijuana or other intoxicants on the licensed premises or in areas adjacent to the licensed premises under licensee’s control (such as parking lots)</td>
</tr>
</tbody>
</table>
Failure to keep required records (other than as required in 845-025-7500, seed-to-sale tracking requirements)
Failure to follow an approved security plan
Permitted disorderly activity
Permitted unlawful (under state law) activity
Failure to complete manifest before transport
Failure to pay taxes to the Department of Revenue

<table>
<thead>
<tr>
<th>Category</th>
<th>Violation</th>
</tr>
</thead>
<tbody>
<tr>
<td>IV</td>
<td>Operated the licensed business after lawful hours for sale of marijuana items (retail licensees)</td>
</tr>
<tr>
<td></td>
<td>Removed, altered or covered license suspension or other required notice sign</td>
</tr>
<tr>
<td></td>
<td>Advertising violations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Violation</th>
</tr>
</thead>
<tbody>
<tr>
<td>V</td>
<td>Permitted marijuana items to be given as a prize (retail licensees)</td>
</tr>
<tr>
<td></td>
<td>Failure to notify the Commission of a temporary closure of the licensed business (all licenses and certificates)</td>
</tr>
</tbody>
</table>

845-025-8700
Prohibited Interests in the Marijuana Industry
(1) Definitions. For purposes of this rule:
(a) "Business connections" include, but are not limited to, the following behaviors and relationships:
   (A) Knowingly providing anything of value to a business licensed by the Commission in return for something of value except for the exchange of commodities or services that are routinely provided to the general public under the same terms; and
   (B) Partnerships with a licensee and similar ventures formed for the purpose of making a profit.
(b) "Employee" means any permanent, temporary or limited duration Commission employee.
(c) "Financial Interest" means knowingly holding an ownership interest as a sole proprietor, partner, limited partner or stockholder, in any marijuana business. This definition excludes any investment that the investor does not control in nature, amount or timing.
(d) "Household member" means all persons living as a family unit in the same dwelling as the commissioner or Commission employee.
(e) "Immediate family" means the spouse, and juvenile dependent children of a commissioner or Commission employee.
(f) "Knowledge" and "knowingly" mean that the person had actual knowledge of or reasonably should have known of the fact in question.
(g) “Marijuana Business” means any business or individual licensed by the Commission under ORS 475B.070, 475B.090, 475B.100, 475B.110 and 475B.560, any business or individual registered by the Authority under ORS 475B.420, 475B.435 and 475B.450 and any business whose primary activity is to provide services to marijuana licensees or registrants.

(h) "Position to take action or make decisions that could affect the marijuana business" means that a commissioner or employee's job duties include the discretion to take actions or make decisions that are reasonably likely to create more than a trivial cost or benefit for a licensed business in money, time or anything else of value

(2) Prohibitions.

(a) Financial Interests. No commissioner, employee, household member or immediate family member may hold a financial interest in a marijuana business.

(b) Employment. No commissioner, employee, household member or family member may be employed by a marijuana business unless the commissioner or employee is not in a position at the Commission to take action or make decisions that could affect the business. An individual is not in a “position to take action or make decisions that could affect the marijuana business” if the Commission removes the employee from actions and decisions affecting the business. The Commission will do so where the removal would not unreasonably effect the employee's ability to perform his or her job duties.

(c) Business Connections. No commissioner, employee, household member or family member may have a business connection described in this rule unless the commissioner or employee is not in a position to take action or make decisions that could affect the licensed business.

(3) Reporting Requirements.

(a) A commissioner or employee who has a business connection association with a marijuana business must:

(A) Inform the Commission of the association as soon as the commissioner or employee has knowledge of the association, and

(B) Refrain from participating in any decision that directly affects the marijuana business.

(b) An applicant for a Commission job must disclose all financial interests, current employment relationships and business connections that the applicant, or any person in the applicant’s household or immediate family, has with a marijuana business of which the applicant has knowledge. If the Commission determines that a prohibited financial interest, employment relationship or business connection exists, the applicant must divest the financial interest, employment relationship or business connection before he or she may be hired.

(c) A Commission employee must report all financial interests, current employment relationships and business connections that the employee, or any person in the employee’s household or immediate family, has with a marijuana business to his or her supervisor as soon as the employee has knowledge of it. If the financial interest, employment relationship or business connection is prohibited, the Commission will set a reasonable time period for divestiture. If divestiture does not occur within the given time period, the Commission will terminate the employee’s employment.

(4) Disciplinary Action. The Commission will appropriately discipline any employee, up to and including termination, who:
(a) Fails to report a prohibited financial interest, employment relationship or business connection as required under this rule, or
(b) Knowingly acquires or establishes a financial interest, employment relationship or business connection prohibited under this rule.
Stat. Auth.: ORS 475B.025
Stats. Implemented: ORS 475B.025