

**Draft Rules for RAC on 12/16/2020
Streamlining Marijuana Licensing**

**Division 25
RECREATIONAL MARIJUANA**

845-025-1015

Definitions

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

(1) "Added substance" means any component or ingredient added to usable marijuana, cannabinoid concentrate or cannabinoid extract during or after processing that is present in the final cannabinoid product, including but not limited to flavors, non-marijuana derived terpenes, and any substances used to change the viscosity or consistency of the cannabinoid product.

(2) "Adulterated" means to make a marijuana item impure by adding foreign or inferior ingredients or substances. A marijuana item may be considered to be adulterated if:

(a) It bears or contains any poisonous or deleterious substance in a quantity rendering the marijuana item injurious to health, including but not limited to tobacco or nicotine;

(b) It bears or contains any added poisonous or deleterious substance exceeding a safe tolerance if such tolerance has been established;

(c) It consists in whole or in part of any filthy, putrid, or decomposed substance, or otherwise is unfit for human consumption;

(d) It is processed, prepared, packaged, or is held under improper time-temperature conditions or under other conditions increasing the probability of contamination with excessive microorganisms or physical contaminants;

(e) It is processed, prepared, packaged, or held under insanitary conditions increasing the probability of contamination or cross-contamination;

(f) It is held or packaged in containers composed, in whole or in part, of any poisonous or deleterious substance rendering the contents potentially injurious to health;

(g) Any substance has been substituted wholly or in part therefor;

(h) Damage or inferiority has been concealed in any manner; or

(i) Any substance has been added thereto or mixed or packaged therewith so as to increase its bulk or weight, or reduce its quality or strength, or make it appear better or of greater value than it is.

(3) "Assign and affix a UID tag" means to designate a UID number to a marijuana item in CTS and to also physically attach the corresponding UID tag to a marijuana plant or a receptacle holding a marijuana item.

(4) "Attractive to minors" means packaging, labeling and advertising that features:

(a) Cartoons;

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- (b) A design, brand or name that resembles a non-cannabis consumer product of the type that is typically marketed to minors;
 - (c) Symbols or celebrities that are commonly used to market products to minors;
 - (d) Images of minors; or
 - (e) Words that refer to products that are commonly associated with minors or marketed by minors.
- (5) "Authority" means the Oregon Health Authority.
- (6) "Business day" means Monday through Friday excluding legal holidays.
- (7) "Cannabinoid" means any of the chemical compounds that are the active constituents of marijuana or industrial hemp.
- (8) "Cannabinoid concentrate" means a substance obtained by separating cannabinoids from marijuana by:
- (a) A mechanical extraction process;
 - (b) A chemical extraction process using a nonhydrocarbon-based or other solvent, such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol; or
 - (c) A chemical extraction process using the solvent carbon dioxide, provided that the process does not involve the use of high heat or pressure; or
 - (d) Any other process identified by the Commission, in consultation with the Authority, by rule.
- (9) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or flowers have been incorporated.
- (10) "Cannabinoid extract" means a substance obtained by separating cannabinoids from marijuana by:
- (a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane or propane;
 - (b) A chemical extraction process using the solvent carbon dioxide, if the process uses high heat or pressure; or
 - (c) Any other process identified by the Commission, in consultation with the authority, by rule.
- (11) Cannabinoid Product
- (a) Means: a cannabinoid edible and any other product intended for human consumption or use, including a product intended to be applied to the skin or hair, that contains cannabinoids or dried marijuana leaves or flowers;
 - (b) Includes:
 - (A) Usable marijuana, cannabinoid extracts and cannabinoid concentrates that have been combined with an added substance; or

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

(c) Does not include:

(A) Usable marijuana by itself;

(B) A cannabinoid concentrate by itself;

(C) A cannabinoid extract by itself; or

(D) Industrial hemp, as defined in ORS 571.300.

(12) "Cannabinoid tincture" means a liquid cannabinoid product packaged in a container of 4 fluid ounces or less that consists of either:

(a) A non-potable solution consisting of at least 25% non-denatured alcohol, in addition to cannabinoid concentrate, extract or usable marijuana, and perhaps other ingredients intended for human consumption or ingestion, that is exempt from the Liquor Control Act under ORS 471.035; or

(b) A non-potable solution comprised of glycerin, plant-based oil, or concentrated syrup; cannabinoid concentrate, extract or usable marijuana; and other ingredients that does not contain any added sweeteners and is intended for human consumption or ingestion.

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

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

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

(16) "Cartoon" means any drawing or other depiction of an object, person, animal, creature or any similar caricature which may exhibit the following criteria:

(a) The use of comically exaggerated features;

(b) The attribution of human characteristics to animals, plants or other objects, or the similar use of anthropomorphic technique; or

(c) The attribution of unnatural or extra-human abilities, such as imperviousness to pain or injury, X-ray vision, tunneling at very high speeds or transformation.

(17) "Common Ownership"

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

(b) Does not mean the leasing of the property to another licensee at a commercially reasonable rate if there is no other financial interest in the other licensed business.

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(18) "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.

(19)"Container"

(a) Means a sealed, hard or soft-bodied receptacle in which a marijuana item is placed and any outer receptacle intended to display a marijuana item for ultimate sale to a consumer.

(b) Does not mean:

(A) Inner wrapping or lining;

(B) An exit package; or

(C) A shipping container used to transfer marijuana items or industrial commodities or products in bulk from one licensee or registrant to another.

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

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

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

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

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

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

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

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

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

(b) "Financial consideration" does not include marijuana, cannabinoid products or cannabinoid concentrates that are delivered within the scope of and in compliance with ORS 475B.301.

(29) "Financial interest" means having an interest in the business such that the performance of the business causes, or is capable of causing, an individual, or a legal entity with which the individual is affiliated, to benefit or suffer financially.

(a) Financial interest includes but is not limited to:

(A) Receiving, as an employee or agent, out-of-the-ordinary compensation, either in the form of overcompensation or under compensation;

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(B) Lending money, real property or personal property to an applicant, licensee, or laboratory licensee for use in the business that constitutes a substantial portion of the business cost or is lent at a commercially unreasonable rate;

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

(D) Being the spouse or domestic partner of an applicant, licensee, or laboratory licensee. For purposes of this subsection, "domestic partners" includes adults who share the same regular and permanent address and would be financially impacted by the success or failure of the business as well as adults who qualify for a "domestic partnership" as defined under ORS 106.310.

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

(30) "Elementary school"

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

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

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

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

(33)(a) "Harvest" means the physical act of cutting or picking flowers or leaves from a marijuana plant or removing mature marijuana plants from the soil or other growing media.

(b) "Harvest" does not include pruning or removing waste material from a marijuana plant remaining in soil or other growing media.

(34) "Harvest lot" means a specifically identified quantity of marijuana that is, cultivated utilizing the same growing practices and harvested within a 72 hour period at the same location and cured under uniform conditions.

(35) "Harvested industrial hemp"

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

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

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

(b) Does not mean:

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

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

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(C) Living industrial hemp plants; or

(D) Industrial hemp seed:

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

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

(iii) That is agricultural hemp seed;

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

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

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

(37) "Hemp Handler" means a person or entity that is registered with the Oregon Department of Agriculture under ORS 571.305 to process industrial hemp into commodities, products or agricultural hemp seed.

(38) "Hemp item"

(a) Means:

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

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

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

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

(b) Does not mean:

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

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

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

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

(40) "Intended for human consumption" means intended for a human to eat, drink, or otherwise put in the mouth but does not mean intended for human inhalation or human use.

(41) "Intended for human use" means intended to be used by applying it to a person's skin or hair, inhalation or otherwise consuming the product except through the mouth.

(42) "Inventory Tracking" means activities and documentation processes to track marijuana items from seed to sale, including establishing an accurate record from one marijuana item to another, in the cannabis tracking system.

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(43) "Industrial hemp":

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

(b) Means any Cannabis seed:

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

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

(C) That is agricultural hemp seed;

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

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

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

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

(45) "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.

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

(47) "Licensee" means any person who holds a license issued under ORS 475B.070, 475B.090, 475B.100, or 475B.105 and includes: each applicant listed on an application that the Commission has approved and each individual who the Commission has added to the license.

~~(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.~~

(48) "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.

(49) "Limited access area" means a building, room, or other contiguous area on a licensed premises where a marijuana item is present, but does not include a consumer sales area on a licensed retailer premises.

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

(51) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae. "Marijuana" does not include:

(a) Industrial hemp, as defined in ORS 571.300; or

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

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

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

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

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

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

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

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

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

(60) "Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid extract" means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a concentration of tetrahydrocannabinol that is permitted under ORS 475B.625 for consumers who hold a valid registry identification card issued under ORS 475B.797.

(61) "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.

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

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

(64) "Non-profit Dispensary" means a medical marijuana dispensary registered under ORS 475B.858, owned by a nonprofit corporation organized under ORS chapter 65, and that is in compliance with the Authority's rules governing non-profit dispensaries in OAR 333, Division 8.

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

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(66) "Patient" has the same meaning as "registry identification cardholder."

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

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

(69) "Person Responsible for a Marijuana Grow Site" or "PRMG" has the meaning given that term in OAR 333-008-0010.

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

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

(72) "Premises" or "licensed premises" includes the following areas of a location licensed under sections ORS 475B.010 to 475B.545:

(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.

(73) "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.

(74) "Principal Officer" includes the president, any vice president with responsibility over the operation of a licensed business, the secretary, the treasurer, or any other officer designated by the Commission.

(75) "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.

(76) "Process lot" means:

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

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

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

(78) "Produces"

(a) "Produces" means the manufacture, planting, propagation, cultivation, growing or harvesting of marijuana.

(b) "Produces" does not include:

(A) The drying of marijuana by a marijuana processor, if the marijuana processor is not otherwise producing marijuana; or

(B) The cultivation and growing of an immature marijuana plant by a marijuana wholesaler or marijuana retailer if the marijuana wholesaler or marijuana retailer purchased or otherwise received the plant from a licensed marijuana producer.

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

(80) "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.

(81) "Regulatory specialist" means a full-time employee of the Commission who is authorized to act as an agent of the Commission in conducting inspections or investigations, making arrests and seizures, aiding in prosecutions for offenses, issuing citations for violations and otherwise enforcing chapter 471, ORS 474.005 to 474.095, 474.115, 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655, Commission rules and any other statutes the Commission considers related to regulating liquor or marijuana.

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

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

(84) "Safe" means:

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

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

(B) Weighs more than 750 pounds.

(b) A "vault"; or

(c) A refrigerator or freezer capable of being locked for storing marijuana items that require cold storage that:

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

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(B) Weighs more than 750 pounds.

(85) "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.

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

(87) "Security plan" means a plan as described by OAR 845-025-1030, 845-025-1400 and 845-025-1405 that fully describes how an applicant will comply with applicable laws and rules regarding security.

(88) "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.

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

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

(91) "UID number" means the 24-digit number on the UID tag.

(92) "UID tag" means a unique identification tag ordered and received from the Commission's designated vendor for CTS for the purpose of tracking marijuana items in CTS.

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

(b) "Usable Marijuana" includes pre-rolled marijuana as long as the pre-roll consists of only dried marijuana leaves and flowers, an unflavored rolling paper and a filter or tip.

(c) "Usable marijuana" does not include:

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

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

(94) "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.

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

Statutory/Other Authority: ORS 475B.025

Statutes/Other 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.

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(2) An application for a license and all documentation required in the application instructions and any requirements of this rule must be submitted in a manner specified by the Commission. The application fee specified in OAR 845-025-1060 must also be paid in a manner specified by the Commission.

~~(3) The following individuals and legal entities are applicants:~~

~~(a) Any individual or legal entity with a financial interest, as defined in these rules, who holds or controls an interest of ten percent or more in the business proposed to be licensed.~~

~~(b) Any individual or legal entity that has an ownership interest in the business proposed to be licensed as described in OAR 845-025-1045.~~

~~(4) If a legal entity is an applicant, the following individuals within a legal entity are also applicants:~~

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

~~(b) Limited partners whose investment commitment is ten percent or more of the total investment commitment;~~

~~(c) All members in a limited liability company or partnership whose investment commitment or membership interest is ten percent or more;~~

~~(d) All managers of a manager-managed limited liability company as that term is defined in ORS 63.001;~~

~~(e) All directors who own or control three percent or more of the voting stock;~~

~~(f) Principal Officers of corporate applicants; and~~

~~(g) All natural person stockholders owning or controlling ten percent or more of the voting stock of a corporate entity.~~

~~(5) An application must include the following:~~

~~(a) The names and other required information for all individuals and legal entities who are applicants as described in this rule and the names and other required information for all individuals and legal entities who are not applicants but who have a "financial interest" in the business, as defined in OAR 845-025-1015. OAR 845-025-1045.~~

~~(6) Applicants must submit the following:~~

~~(a) Information or fingerprints for individual applicants and individuals within a legal entity who have been identified as applicants in order to perform a criminal background check in accordance with OAR 845-025-1080;~~

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

~~(c) A map or sketch of the premises proposed for licensure, including the defined boundaries of the premises and, the location of any primary residence located on the same tax lot as the~~

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licensed premises, and a scaled floor or plot plan sketch of all enclosed areas with clear identification of walls, all areas of ingress and egress, and all limited access areas;

~~(d) A scaled floor or plot plan sketch of all enclosed areas with clear identification of walls, partitions, counters, windows, all areas of ingress and egress, and all limited access areas;~~

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

~~(f) An operating plan~~(d) An operating plan in a form prescribed by the Commission that demonstrates at a minimum, how the applicant's proposed premises and business will comply with the applicable laws and rules regarding:

(A) Security;

(B) Employee qualifications and training;

(C) Transportation of product;

(D) Preventing minors from entering the licensed premises; and

(E) Preventing minors from obtaining or attempting to obtain marijuana items.

~~(g)~~ For producers:

(A) ~~The proposed canopy size and production tier and producer type as described in OAR 845-025-2040 and a designation of the canopy area within the license premises.~~

(B) A report describing the applicant's electricity and water usage, on a form prescribed by the Commission.

~~(i) For initial licensure, the report must describe the estimated electricity and water usage taking into account all portions of the premises and expected requirements of the operation for the next twelve months.~~

(ii) For renewal, the report must describe the actual electricity and water usage for the previous year taking into account all portions of the premises.

~~(C) A description of the growing operation including growing media, a description of equipment to be used in the production, and whether production will be indoor, outdoor or both.~~

~~(D) Proof of~~An attestation that the applicant has a legal source of water as evidenced by:

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

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

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

~~(E)~~(D) If the applicant is not the owner of the premises proposed to be licensed, the applicant must submit a form, prescribed by the Commission, signed by the owner of the premises that states the owner consents to the production of marijuana on the premises.

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~~(h)~~ For processors:

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

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

~~(7)~~(4) In addition to submitting the application form and the items described in section ~~(53)~~ of this rule, the Commission may require the following to be submitted:

(a) For applicants:

(A) information or fingerprints in order to perform a criminal background check in accordance with OAR 845-025-1080.

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

(b) The names and other required information for all individuals and legal entities with a financial interest in the business.

(c) For an individual identified as a person with a financial interest, who holds or controls an interest of less than ten percent in the business proposed to be licensed:

(A) Information or fingerprints for a criminal background check in accordance with OAR 845-025-1080; and

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

~~(d)~~ For a legal entity that is identified as having a financial interest of less than ten percent of the business proposed to be licensed:

(A) Information or fingerprints for any individual within the legal entity for a criminal background check in accordance with OAR 845-025-1080; and

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

~~(e)~~(e) Proof of the right to occupy the premises proposed for licensure.

(f) For producers:

(A) A designation of the proposed canopy area within the licensed premises.

(B) Proof that the applicant has 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

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

(85) The Commission must review an application to determine if it is complete. An application may be considered incomplete if an application form is not complete, the full application and license fee has not been paid, or some or all of the additional information required under these rules is not submitted.

(96) 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~~sent to the applicant. The Commission shall give the applicants the opportunity to be heard if an application is rejected. A hearing under this subsection is not subject to the requirements for contested case proceedings under ORS 183.310 to 183.550.

~~(10) Failure to comply with subsection (8) of this rule may result in an application being denied.~~

Statutory/Other Authority: ORS 475B.025 & ORS 475B.040

Statutes/Other Implemented: ORS 475B.040, 475B.045, 475B.060, 475B.070, 475B.090, 475B.100, 475B.105, 475B.560 & 2019 OL CH. 145

845-025-1045

True Name on Application; Interest in Business

(1) True name on application. An application for a license must specify the real and true names of all individuals and legal entities ~~have an ownership interest in the business proposed to be licensed by identifying all such persons and legal entities as applicants.~~ entities required to be disclosed in the application under OAR 845-025-1030 and this rule.

(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)~~ (3) The following individuals and legal entities are applicants:

(a) Any individual or legal entity who holds or controls a direct or indirect interest of 20 percent or more in the business proposed to be licensed.

(b) Any individual or legal entity that has an ownership interest in the business as described in OAR 845-025-1045(5).

(c) Any individual or entity required to be listed as applicants under OAR 845-025-1045(4).

(4) If a legal entity is an applicant, the following individuals within a legal entity are also applicants:

(a) All general partners in a limited partnership;

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(b) All managers of a manager-managed limited liability company as that term is defined in ORS 63.001; and

(c) Principal Officers of corporate applicants.

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

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

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

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

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

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.045, 475B.070, 475B.090, 475B.100, 475B.105, 475B.560, 475B.191 & 475B.564

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 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

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(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~~require a licensee or individual with a financial interest to undergo a criminal background checkscheck in accordance with this rule ~~every~~once per license 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).

Statutory/Other Authority: ORS 475B.025

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

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

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

(B) Verify any information submitted by the applicant.

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

(a) The applicant is applying for a license at an address where a marijuana grow site registered under ORS 475B.810 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.810 before January 1, 2015, and was registered with the Authority under ORS 475B.810 on the date on which the applicant submitted the application for a producer license;

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(d) Each person responsible for a marijuana grow site located at the address first registered with the Authority under ORS 475B.810 before February 1, 2016 and was registered with the Authority under ORS 475B.810 on the date on which the applicant submitted the application for a producer license; 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) For purposes of section (3) of this rule an applicant for a license under ORS 475B.070 is not required to demonstrate that:

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

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

(5) The Commission may require an inspection of the proposed premises prior to issuing a license.

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

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

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

(7) 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.

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

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

Statutory/Other Authority: ORS 475B.025 & ORS 475B.040

Statutes/Other Implemented: ORS 475B.045, ORS 475B.060, ORS 475B.063, ORS 475B.074 & 2019 OL Ch. 391

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845-025-1100

Approval of Application and Issuance of License

~~(1) If, after the application review and inspection,~~ (1) If 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 or is contained in part of warnings, signage or other documents required by these rules.

(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.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.055

845-025-1132

Prohibited Changes to License Applications

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

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

~~(3) The Commission will not allow~~ Until January 2, 2022, an applicant ~~to that submitted an application for a production license under ORS 475B.070 on or before June 15, 2018, may not change the location of a~~ the proposed licensed premises after submission of an for which the application for licensure was submitted.

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

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Statutory/Other Authority: ORS 475B.025 & 2019 OL Ch. 419

Statutes/Other Implemented: ORS 475B.070

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;
- (b) A disciplinary proceeding or licensing enforcement action by another governmental entity that may affect the business;
- (c) The temporary closure of the business for longer than 30 days; or
- (d) The permanent closure of the business.

(2) An applicant or licensee must notify the Commission in a manner prescribed by the Commission within 24 hours of an arrest, a citation issued in lieu of arrest, or a conviction for any misdemeanor or felony of an individual listed in an application or subsequently identified as an applicant, licensee or individual with a financial interest. Violation of this section is a Category I violation.

(3) A licensee must notify the Commission in a manner prescribed by the Commission as soon as reasonably practical and in no case more than 24 hours from the theft of marijuana items or money from the licensed premises.

(4) Changes in ~~Financial Interest or Business Structure.~~

(a) A licensee that proposes to change its ~~corporate structure,~~ ownership structure by adding an individual or change legal entity who has a financial interest will meet the qualifications of an applicant as described in the business OAR 845-025-1045 or by removing an individual or legal entity that is a licensee must, prior to making the change, submit:

(A) A form prescribed by the Commission; and

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

(b) The Commission must review the form and other information submitted under subsection (1) of this rule, ~~and will approve the change if the change would not.~~

(c) If the Commission determines that the addition of an individual or legal entity who meets the qualifications of an applicant as described in OAR 845-025-1045 would result in an initial or renewal application denial under OAR 845-025-1115, or serve as the basis of a license suspension or revocation, the licensee may remove that individual or legal entity from the business. If the licensee does not remove that individual or legal entity from the business, the Commission shall propose license suspension or revocation under OAR 845-025-1115.

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~~(c) If (d) Notwithstanding subsection (4)(a) of this rule, a licensee does not need to notify the Commission denies prior to the change following changes occurring, but the licensee proceeds with the change, licensee must surrender the license or notify the Commission will propose to suspend or revoke the license within 60 calendar days of the following change occurring:~~

~~(d) The Commission may refuse to accept a form for a change in corporate structure or financial interest if the license is expiring in less than 90 days, the licensee is under investigation by the Commission, or has been issued a Notice by the Commission following an alleged violation and the alleged violation has not been resolved.~~

(A) A shareholder of a publicly traded corporation acquiring or accumulating twenty percent or more of the voting stock.

(B) A publicly traded corporation adding or removing Principal Officers.

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

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

(B) Has more than one change of business structure within a year from the date the license was first issued or renewed that cumulatively results in a change of ownership that is 51% or greater.

(5) Change of Location.

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

(b) If a licensee loses access to the licensed premises, the Commission may allow the licensee to change location if:

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

(B) The licensee removes all marijuana items from the licensed premises in compliance with ORS Chapter 475B and these rules prior to losing access;

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

(D) The licensee supplies documentation showing legal access to a new proposed location within 30 days of losing access to the licensed premises; and

(E) The licensee submits a Land Use Compatibility Statement for the new proposed location from the city or county that authorizes land use where the new location is located and the use is not prohibited.

(c) The Commission must approve any change of location prior to licensee beginning business operations in the new location.

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(6) Addition or Change of Trade Name.

(a) A licensee must notify and receive approval from the Commission on a form prescribed by the Commission prior to any changes or additions to the business trade name.

(b) The Commission may deny any addition or change to a business trade name.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.055 & 475B.045

845-025-2040

Production Size Limitations

(1) Definitions. For the purposes of this rule:

(a) “Mixed production” means a producer who has the privilege to grow marijuana both indoors and outdoors at the same licensed premises.

(b) “Producer type” means indoor production, outdoor production, or mixed production.

(c) “Production method” means indoor mature canopy, outdoor mature canopy, or immature canopy.

(d) “Production tier” means micro tier I, micro tier II, tier I, or tier II as described in section (3) of this rule.

(2) General Requirements.

(a) A producer must clearly identify ~~proposed canopy sizes~~ the size, production method, ~~canopy~~ canopy measurements, and ~~canopy-shapes for all designated~~ each mature and immature canopy ~~areas~~ area in the ~~initial license application and at renewal~~ licensed premises.

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

(c) A producer must have written approval from the Commission prior to changing the location of a designated canopy area, the shape of a canopy area, producer type, production method, or production tier.

(d) A producer may only request a change to production type at the time the producer submits a renewal application.

(e) A producer engaging in mixed production may only request to increase its designated mature canopy of one production method by decreasing the designated mature canopy of another production method at the time the producer submits a renewal application.

(3) Mature Canopy Size Limits.

(a) Indoor Production. Unless otherwise provided by these rules, the maximum mature canopy size limits for indoor production are:

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

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

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

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

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

(A) Micro tier I: Up to 2,500 square feet.

(B) Micro tier II: 2,501 to 5000 square feet.

(C) Tier I: 5,001 to 20,000 square feet.

(D) Tier II: 20,001 to 40,000 square feet.

(c) Mixed Production. For a producer engaging in mixed production, the Commission will use a 4:1 ratio, for outdoor and indoor respectively, to allocate canopy size limits under this section, not to exceed the sum canopy size limits set forth in section (3) of this rule. For example, if a Tier II producer in the first year of licensure has 1,000 square feet of indoor mature canopy area, then the producer may have up to 36,000 square feet of mature outdoor canopy area at the same time.

(4) Immature Canopy Size Limits. Unless otherwise provided by these rules, the maximum canopy size limits for immature canopy area for licenses issued or renewed after April 1, 2018 shall be:

(a) 625 square feet for Micro tier I producers.

(b) 1,250 square feet for Micro tier II producers.

(c) 5,000 square feet for Tier I producers.

(d) 10,000 square feet for Tier II producers.

(5) Canopy Area Measurements and Shapes.

(a) Square footage of a canopy area is measured horizontally starting from the outermost point of the furthest plant in a designated canopy area and continuing around the outside of all plants located within the designated canopy area. If immature plants are grown on racks or shelving within the immature canopy area, only the footprint of the area containing the immature plants will be used to calculate the immature canopy area. The total canopy area of mature plants grown on racks or shelving is measured to include each layer of plants as a separate canopy area.

-(b) Maximum canopy areas allowed. A producer must either:

(A) Designate no more than 20 quadrilateral canopy areas including both immature and mature canopy areas at a licensed premises and clearly demarcate each canopy area with a physical boundary, wall, or marker at the outermost edge or each corner of each designated canopy space; or by at least eight feet of open space.

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

(6) Production Tier Changes.

(a) A producer licensed under ORS 475B.070 for at least one year may request to increase its approved production tier at any time after the first license year, up to the maximum production tier allowed under this rule. A producer must make a request for an increase in writing, in a form and manner prescribed by the Commission.

(b) The Commission may approve a request for a production tier increase if the Commission believes that granting the request does not present an increased risk of noncompliance with the provisions of ORS Chapter 475B and these rules and if the producer:

(A) Has not already been approved for a production tier increase during the current license year;

(B) Is not engaging in mixed production and proposing to alter the producer's mature canopy production methods as described in subsection (2)(e) of this rule;

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

(D) ~~Submits~~Has submitted an approved Land Use Compatibility Statement showing the increased production tier is not prohibited;

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

~~(F)~~(E) Is not under investigation by the Commission for suspected violations of any provision of ORS Chapter 475B or these rules and does not have pending administrative violations.

(c) A producer may not increase its production tier without prior written approval from the Commission.

(d) If the Commission determines a producer meets the requirements to increase its production tier at a time other than renewal, the producer must submit payment to the Commission for the difference in the fee paid by the producer at the prior renewal and the fee described in OAR 845-025-1160 for the increased tier size before the Commission will provide the producer with written approval.

(e) The Commission shall give a producer an opportunity to be heard if a request is rejected under this section.

(7) 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.

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(8) On an annual basis, the Commission shall evaluate market demand for marijuana items, the number of persons applying for producer licenses or licensed as producers and whether the availability of marijuana items in this state is commensurate with the market demand. Following this evaluation, the Commission may amend this rule as needed.

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

Statutes/Other Implemented: ORS 475B.085

845-025-2045

Propagation Endorsement

(1) A producer licensee may apply for a propagation endorsement in order to grow additional immature marijuana plant canopy as defined by these rules.

(2) Application. A producer applying for an endorsement under this rule, must ~~submit a propagation plan that demonstrates~~ attest that additional immature marijuana plant canopy is required for the production of immature plants for sale to other licensees.

~~(3) Land-use Compatibility Statement. Licensed producers who have previously submitted a land use compatibility statement are not required to submit an additional land use compatibility statement when registering for a propagation endorsement, so long as there is no change in the aggregate size of the mature and immature canopy areas.~~

~~(4)~~(3) Denial and Revocation. The Commission may deny a producer's request for an endorsement or revoke the endorsement. If the Commission denies or revokes the endorsement, the producer has a right to a hearing under the procedures of ORS chapter 183.

Statutory/Other Authority: ORS 475B.025 & ORS 475B.085

Statutes/Other Implemented: ORS 475B.085

845-025-2500

Registration to Produce Usable Marijuana for Patients

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

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

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

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

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

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~~(d)~~ Submit a control plan in a form prescribed by the Commission describing how the producer will:

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

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

(3) Land-use Compatibility Statement.

(a) Licensed producers who have previously submitted a land use compatibility statement are not required to submit an additional land use compatibility statement when registering to produce usable marijuana for patients.

(b) Licensed producers who were exempt from submitting a land use compatibility statement under these rules at the time of licensure must submit a land use compatibility statement when registering to produce marijuana for patients if the producer's total canopy of mature medical and recreational plants exceeds 5000 square feet for outdoor producers and 1250 square feet for indoor producers.

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

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

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

(c) Immature marijuana plants to a PRMG at the PRMG's grow site.

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

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

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

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

(6) A producer may not sell, deliver, or transfer any marijuana item under this rule to an individual who does not possess a valid card identified in section (5) of this rule.

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

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

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

(A) Are legible and complete;

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

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

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

(a) The registry identification card number of the registry identification cardholder to whom the items are being transferred;

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

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

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

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

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

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

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

(12) Violations.

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

(b) A violation of section (6) or (11) of this rule is a Category I violation.

Statutory/Other Authority: ORS 475B.025

Statutes/Other Implemented: ORS 475B.136