

Oregon Liquor Control Commission

Administrative Rules Annual Report

HB 4106 (2016 Session)

Report contains rules filed during calendar year January 01, 2018 and December 31, 2018

Rules Adopted, Amended, or Repealed [ORS 183.335(2) and (3)]

Adopted	18
Amended	59
Repealed	2

Temporary Rules Adopted, Amended, or Suspended [ORS 183.335(5)]

Adopted	0
Amended	8
Suspended	0

OLCC 1-2018

Filed: 01/25/2018 3:51 PM

845-025-5590

Amend

845-025-8520

Amend

845-025-8590

Amend

Statement of Need

The Commission is charged with regulating the sale of marijuana items. From the inception of the marijuana program, one of the key public safety concerns is to prevent the sale of marijuana items to minors. The Commission has implemented a training program and subsequent permitting process for all persons involved in the industry known as the "marijuana worker permit". In the training, the Commission clearly states: "Only marijuana retail businesses are allowed to sell marijuana and marijuana products to consumers, so those businesses and their employees are vital in preventing minor's access to marijuana items."

Justification

The Commission has recently stepped up its efforts to ensure marijuana retail licensees are not selling marijuana items to minors. Specifically, the Commission has implemented a minor decoy program to test licensees' compliance, as set forth in OAR 845-025-8570. During recent minor decoy operations, the Commission has discovered a concerning amount of sales to state sanctioned minor decoys.

In response to this public safety threat, the Commission sees it necessary to escalate both compliance operations and the penalty schedule for a sale to minor. Specifically, the Commission has deemed it necessary to increase the penalty for an unintentional sale to minor to a 30 day license suspension or a fine of four thousand nine hundred and fifty dollars for the first offense. Further, the Commission has increased an intentional sale of marijuana to a minor to Category I violation, which would result in license revocation. The Commission sees this issue as a threat to public safety and has deemed temporary rulemaking necessary to reinforce with the marijuana industry that the Commission views any sale to a minor as one of the most egregious violations a licensee can commit.

If the Commission fails to take this temporary action, more minors may be sold marijuana items. The Commission believes that stepping up both enforcement operations and increasing the penalty will provide the industry with clarity that the Commission views this as a critical public safety issue.

OLCC 3-2018 **Filed: 03/28/2018 1:16 PM**

845-025-2110 Amend

845-025-2120 Amend

Statement of Need

Senate Bill 1057, passed during the 2017 legislative session, altered various aspects of the medical marijuana program. Commission staff have been working with the Oregon Health Authority to coordinate rule and process issues, as registered medical growers will begin tracking their grow sites within the Seed-to-Sale system this summer. This package makes technical corrections and aligns OLCC rules with OHA rules.

Justification

Senate Bill 1057, passed during the 2017 legislative session, altered various aspects of the medical marijuana program. Commission staff have been working with the Oregon Health Authority to coordinate rule and process issues, as registered medical growers will begin tracking their grow sites within the Seed-to-Sale system this summer.

If the Commission fails to take temporary action, the Commission's rules will be unaligned with the Oregon Health Authority rules on medical tracking. This would result in medical growers following unaligned rules as they begin the process to track their marijuana grows in the seed to sale system. Further, both OLCC staff and OHA staff would be forced to continually explain the incongruity of the rules.

The temporary amendments fix technical language and align the two agencies' rules.

OLCC 5-2018 **Filed: 04/26/2018 1:04 PM**

845-025-2060 Amend

Statement of Need

Currently, all marijuana producers entering the recreational system have been allowed to receive immature marijuana plants and seeds from any source within Oregon for up to 90 days following initial licensure by the Commission. The Commission has previously extended the deadline to allow more producers to bring their plant genetics into the recreational market.

Further, the Commission has been inundated with applications and currently has a queue of several months. In response to this situation, staff is requesting to temporarily amend the limitation from licensure date to the date the application was submitted. This will allow applicants in the queue to also bring genetics into the recreational market, so long as their application has been submitted by July 1st.

Justification

If the Commission fails to take this action, recreational marijuana applicants whom are awaiting licensure will not be able to bring their genetics into the legal market place. This would give producers licensed before the July cutoff date an advantage over new producers whom are awaiting licensure and cannot receive plant genetics until they are licensed by the Commission. The Commission has implemented this temporary rule in May to give the industry a timely notice on its change and signal that current applicants will be given the opportunity to bring plant genetics into the market.

OLCC 10-2018 **Filed: 08/23/2018 3:36 PM**

845-025-2800 Amend

Statement of Need

The current daily sales limits for purchases of usable marijuana are based upon the amount of marijuana a person can legally carry in public. In previous rulemaking, the Commission established larger daily purchasing amounts for medical patients due to the fact that patients are legally able to possess larger amounts. However, the Commission has become aware of medical marijuana cardholders purchasing the maximum allowable amount of usable marijuana on a daily basis. Due to both the frequency and size of the purchases, the temporary amendments limit all sales of usable marijuana to one ounce per day per customer. Medical cardholders will now be subject to the same daily limits as other consumers making purchases of usable marijuana at an OLCC licensed retailer. Staff will work with the industry, public and patients in upcoming rulemaking to further address the issue.

Justification

If the Commission fails to act, medical card holders will be able to procure twenty four ounces of usable marijuana. The Commission has become aware of medical marijuana cardholders purchasing the maximum allowable amount of usable marijuana on a daily basis. Due to both the frequency and size of the purchases found within the Cannabis Tracking System, the Commission believes temporary action to limit all sales of usable marijuana to one ounce per day per customer could prevent diversion of marijuana on the secondary market. The Commission is aware of the sensitive nature of medical marijuana and patient access. Staff will engage with industry, public and patients in upcoming rulemaking to further address the issue.

OLCC 12-2018**Filed: 09/21/2018 12:34 PM**

845-025-8590

Amend

Statement of Need

The Commission is charged with regulating the recreational marijuana market. This rule explains the violations and lays out the penalty schedule for marijuana violation in an attached exhibit to the rule. In previous rule making this past summer, a technical error was made to the Category II violation table. This error allowed for Category II violations the choice of either a 30 day suspension or a penalty of a fine \$ 4,950. Staff intended for Category II violations to only have the option of a 30 day suspension. This temporary action corrects the error. Staff will carry this issue through the permanent rulemaking process this fall.

Justification

If the Commission fails to act, staff will be charging licensees with the incorrect violation table from what was discussed and agreed to in the original rulemaking for the penalty schedule. Temporary rulemaking will enable the Commission to correct the technical error and charge violations, as intended. Staff plans to take this issue through the full rulemaking process this fall.