845-025-1030
Application Process

(1) On or after 8:30 a.m. Pacific Time January 4, 2016, 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 electronically, via the Commission's website. The application fee specified in OAR 845-025-1060 must also be paid through the Commission's on-line payment system at the time of application.
(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) In addition to submitting the application form the following must be submitted:
(a) For an individual listed as an applicant:
(A) Information or fingerprints for a criminal background check in accordance with OAR 845-025-1080;
(B) An Individual History Form and any information identified in the form that is required to be submitted; and
(C) Proof of residency documented by providing:
(i) Oregon full-year resident tax returns for the last two years; or
(ii) Utility bills, rental receipts, mortgage statements or similar documents that contain the name and address of the applicant dated at least two years prior to the date of application and from the most recent month.
(b) For an individual listed as a person with a financial interest **who holds or controls an interest of ten percent or greater in the business proposed to be licensed, or an individual who is a partner, member or corporate officer of a legal entity with a financial interest in the business proposed to be licensed:**
(A) Information or fingerprints for a criminal background check in accordance with OAR 845-025-1080;
(B) An Individual History Form and any information identified in the form that is required to be submitted; and
(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 or parcel as the licensed premises;
(d) A 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 lawful possession of the premises proposed for licensure;
(f) 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.

(g) 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 electrical and water usage, on a form prescribed by the Commission. The report must describe the estimated water usage taking into account all portions of the premises and expected requirements of the operation.

(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) A water right permit or certificate number; 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 proof from the Oregon Water Resources Department that the water to be used for production is from a source that does not require a water right.

(h) For processors:

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

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

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

(a) For an individual listed 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) An Individual History Form and any information identified in the form that is required to be submitted; and

(b) 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 section (4) 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.: Section 2, Chapter 614, Oregon Laws 2015
Stats. Implemented: Sections 7, 8, 11, 12, 14, 15, 16, 93 Chapter 614, Oregon Laws 2015

845-025-1045
Qualifications of an Applicant

(1) The following are considered applicants for purposes of these rules:
(a) Any individual that has a financial interest in the business for which licensure is sought and who is directly involved in controlling the ordinary course of business for the business that is proposed to be licensed; and
(b) Any legal entity that has a financial interest in the business for which licensure is sought and is directly involved in controlling the ordinary course of business for the business that is proposed to be licensed;
(2) If an applicant is an individual the individual must also:
(a) Be at least 21 years of age; and
(b) Until January 1, 2020, have been a resident of Oregon for at least two consecutive years prior to the date the initial or renewal application was submitted.
(3) If a legal entity is designated as an applicant, the following individuals must also be listed as applicants on an application:
(a) All partners in a limited partnership;
(b) All members of a limited liability company; ~~and~~
(c) All directors and principal officers of a corporate entity;
(d) Any individual who owns or controls at least 10% of the legal entity.
(4) At least one applicant or the sum of applicants listed on a license application must be a legitimate owner of the business proposed to be licensed or subject to renewal.
(5) An individual or legal entity will not be considered by the Commission to be directly involved in the ordinary course of business for the business proposed to be licensed solely by virtue of:
(a) Being a shareholder, director, member or limited partner;
(b) Being an employee or independent contractor; or
(c) Participating in matters that are not in the ordinary course of business such as amending organizational documents of the business entity, making distributions, changing the entity's corporate structure, or approving transactions outside of the ordinary course of business as specified in the entity's organizational documents.
(6) An ~~individual~~ applicant ~~or applicant legal entity~~ will be considered by the Commission to be a legitimate owner of the business if:
(a) The individual applicant ~~or legal entity applicant~~ owns at least 51% of the business proposed to be licensed; or
(b) One or more individual applicants ~~or applicant legal entities~~ in sum own at least 51% of the business proposed to be licensed.
(7) The following factors, in and of themselves, do not constitute ownership:
(a) Preferential rights to distributions based on return of capital contribution;
(b) Options to purchase an ownership interest that may be exercised in the future;
(c) Convertible promissory notes; or
(d) Security interests in an ownership interest.

(8) For purposes of this rule, “ownership” means direct or indirect ownership of the shares, membership interests, or other ownership interests of the business proposed to be licensed.
(9) The Commission may consider factors other than those listed in this rule when determining whether an individual or legal entity is directly involved in the operation or management of the business proposed to be licensed or licensed, or is a legitimate owner.
(10) An individual listed as an applicant on an initial or renewal application, or identified by the Commission as an applicant must maintain Oregon residency while the business is licensed.

Stat. Auth.: Section 2, Chapter 614, Oregon Laws 2015
Stats. Implemented: Sections 8, 12, 14, 15, 16, and 93Chapter 614, Oregon Laws 2015

845-025-2820
Retailer Operational Requirements

(1) A retailer may:
(a) Only receive marijuana items from a producer, wholesaler, processor or laboratory;
(b) Only sell marijuana items to a consumer from the licensed premises, unless sale is made pursuant to a bona fide order as described in OAR 845-025-2880;
(c) Only sell up to the following amounts at any one time to a consumer within one ~~business~~ 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 concentrate, whether sold alone or contained in an inhalant delivery system;
(E) Four immature marijuana plants; and
(F) Ten marijuana seeds;
(d) Refuse to sell marijuana items to a consumer; and
(e) Only sell to consumers between the hours of 7:00 a.m. and 10 p.m. local time.
(2) A retailer may not:
(a) Provide free samples of a marijuana item to a consumer;
(b) Sell or give away pressurized containers of butane or other materials that could be used in the home production of marijuana extracts;
(c) Require a consumer to purchase other products or services as a condition of purchasing a marijuana item or receiving a discount on a marijuana item;
(d) Sell a marijuana item for less than the cost of acquisition;
(e) Provide coupons or offer discounts, except that uniform volume discounts are permitted;
(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; or
(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 these rules.
(3) A retailer's pricing on marijuana items must remain consistent during each ~~business~~ day. (4) 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.
(5) 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.
(6) For purposes of this rule "coupon" means any coupon, ticket, certificate token or any other material that a person may use to obtain a price reduction or rebate in connection with the acquisition or purchase of a marijuana item.

Stat. Auth.: Sections 2 and 16, Chapter 614, Oregon Laws 2015
Stats. Implemented: Section 15, Chapter 1, Oregon Laws 2015

845-025-5740
Failed Test Samples

(1) If a sample fails any initial test the licensee may have samples retested in accordance with OAR 333-007-0460.
(2) Failed microbiological contaminant testing.
(a) If a sample from a batch of usable marijuana fails microbiological contaminant testing the batch may be used to make a cannabinoid concentrate or extract if the processing method effectively sterilizes the batch such as a method using a hydrocarbon-based solvent or a CO2 closed loop system.
(b) If a sample from a batch of a cannabinoid concentrate or extract fails microbiological contaminant testing the batch may be further processed if the processing method effectively sterilizes the batch such as a method using a hydrocarbon-based solvent or a CO2 closed loop system.
(c) A batch that is sterilized in accordance with subsection (a) or (b) of this section must be resampled and retested in accordance with OAR 333-007-0460 and must be tested if not otherwise required for that product, for microbiological contaminants, solvents and pesticides.
(3) Failed solvent testing.
(a) If a sample from a batch fails solvent testing the batch may be re-processed using procedures that would reduce the concentration of solvents to less than the action level.
(b) A batch that is re-processed in accordance with subsection (a) of this section must be resampled and retested in accordance with OAR 333-007-0460 and must be tested if not otherwise required for that product, for microbiological contaminants, solvents and pesticides.
(4) Failed water activity testing.
(a) If a sample from a batch of usable marijuana fails for water activity the batch from which the sample was taken may continue to dry or cure.
(b) A batch that undergoes additional drying or curing as described in subsection (a) of this section must be resampled and retested in accordance with OAR 333-007-0460.
(5) Failed pesticide testing.
~~(a)~~ If a sample from a batch fails pesticide testing the batch must be destroyed in accordance with OAR 845-025-7750, ~~except as provided in subsection (b) of this section,~~ or re-tested in accordance with OAR 333-007-0460.
~~(b) A licensee may request approval from the Commission, in writing, to remediate a batch of usable marijuana that failed pesticide testing. Such a request must include detailed information about the remediation process and proof that the remediation process will reduce the concentration of pesticides to less than the action level.~~
~~(c) If the Commission approves the request the batch must be resampled and retested after the remediation, in accordance with OAR 333-007-0300 to 333-007-0490 and must be tested if not otherwise required for that product, for microbiological contaminants, solvents and pesticides.~~
(6) If a sample fails a retest required under sections (2), (3) and (5) of this rule for microbiological contaminants, solvents or pesticides a licensee must destroy or dispose of the batch.
(7) A regulatory specialist must witness the destruction or disposal of a batch if destruction or disposal is required by this rule.
(8) A licensee must inform a laboratory prior to samples being taken that the batch is being resampled and retested after an initial failed test.

(9) A licensee must, as applicable:
(a) Have detailed procedures for sterilization processes to remove microbiological contaminants and for reducing the concentration of solvents or pesticides; and
(b) Document, in CTS, all resampling, retesting, sterilization, re-processing, remediation and destruction or disposal.

Stat. Auth.: Section 91 and 92, chapter 614, Oregon Laws 2015
Stats. Implemented: Section 91 and 92, chapter 614, Oregon Laws 2015