Recreational Marijuana Program

Compliance Education Bulletin

Bulletin CE2024-07

December 30, 2024



The Oregon Liquor & Cannabis Commission (OLCC) is providing the following information to recreational marijuana licensees and hemp certificate holders.

The bulletin is part of OLCC's compliance education. <u>It is important that you read it and understand</u> <u>it.</u> If you don't understand it, please contact the OLCC for help at olcc.marijuana@olcc.oregon.gov. Failure to understand and follow the information contained in this bulletin *could result in an OLCC administrative violation affecting your ability to work or operate your business*.

Compliance Education Bulletin CE2024-07 covers the 2024 administrative rule changes from HB 4121 (2024), SB 1522 (2022), and technical changes to the rules. The full rule package is available on the <u>OLCC website</u>. These rules, except those related to temporary worker permits will go into effect on January 1, 2025. The rules related to temporary worker permits will go into effect March 31, 2025.

Background

The Oregon Legislature passed House Bill 4121 (Chapter 16, Oregon Laws 2024) during the 2024 Oregon legislative session which has several provisions that require agency rulemaking to implement. Specifically, House Bill 4121:

- Requires the Oregon Liquor and Cannabis Commission (OLCC) to implement populationbased license caps that determine when an application may be submitted.
- Requires the OLCC to develop uniform standards for minor decoy operations to investigate persons selling, transferring, or delivering cannabinoid hemp products that are adult use cannabis items to minors.
- Requires the OLCC to adopt rules establishing a process and conditions in which individuals may obtain temporary worker permit.

The Oregon Legislature passed SB 1522 (Chapter 81, Oregon Laws 2022) during the 2022 Oregon legislative session. This bill amended several provisions related to the proximity of marijuana retailers to schools by including buildings where a public prekindergarten or kindergarten program is provided by a school district or education service district.

The OLCC has modified rules in OAR chapter 845, divisions 25 and 26 to address technical issues.

Population based licensing

HB 4121 requires the OLCC to only accept new license applications when the number of licenses fall below the population estimates below:

- For production and retail licenses, there is not more than one active license per 7,500 Oregon residents who are 21 years of age or older.
- For a processor and wholesale licenses, there is not more than one active license per 12,500 Oregon residents who are 21 years of age or older.

To find out if any of the license types are under the per capita criteria, OLCC will contact the Oregon Population Forecast Program run by Population Research Center at Portland State University in April of each year. If the OLCC finds a license is under the per capita criteria and we can accept applications, we will notify the public and include the following information:

- The type of marijuana license applications that will be accepted
- The date the Commission will be accepting applications
- The form and manner to apply for a license

The OLCC will also notify the public when we have approved applications and have met the per capital criteria and are no longer accepting applications.

Proximity to a prekindergarten or kindergarten

SB 1522 (Chapter 81, Oregon Laws 2022) passed during the 2022 Oregon legislative session. This bill amended several provisions related to the proximity of marijuana retailers to schools by including buildings where a public prekindergarten or kindergarten program is provided by a school district or education service district.

The OLCC has added known locations to our school map and will continue to update as we learn about additional locations. If you have been licensed next to a prekindergarten or kindergarten that meets the new definition OLCC can allow you to change your location. Currently the law does not allow grandfathering like it does for other school types.

Modifications to licensing rules

Business structure requests:

A rule was added to allow a licensee to withdraw a pending or conditionally approved change of business structure request. If the OLCC accepts the withdrawal, the request and conditional approval are deemed invalid. This is necessary because it clarifies that staff may inactivate requests that are no longer needed and allows licensees to make appropriate changes to their business structures in an efficient manner.

Loss of access:

Adds that at renewal, OLCC may refuse to renew a license if it has lost access to its licensed premises. If the licensee has lost access to the licensed premises 90 days prior to the expiration of its license, OLCC will consider this as good cause to overcome refusal of a renewal application.

This change is necessary to prevent licensees from not having access to their premises for lengthy periods of time while also considering that additional time may be necessary for a licensee to find and secure a new location when they initially lose access.

Violations related to employee theft

A rule was added to allow the Commission to suspend, fine, or revoke a marijuana worker permit if the permittee steals or misappropriates money, marijuana items, or other property from a licensee. This is necessary to address the concerns of licensees and allows for the OLCC to take appropriate action.

Medical Marijuana grow sites

This rule clarifies that Oregon Medical Marijuana Program (OMMP) grow sites cannot be located at the same address as a production facility licensed by the OLCC.

- This does not alter the existing rule, but the previous wording may have been unclear.
- OMMP grow sites are restricted to a specific number of plants per address.

Operating both an OMMP grow site and an OLCC-licensed production facility at the same address would exceed the permissible plant count for the OMMP grow site.

Processing for OMMP cardholders

The OLCC has received feedback from various groups that we do not allow processors to adequately help OMMP cardholders based on the limits on intake material from the cardholder and output products from the processor. This rule has been modified to double the flower intake and double the output of products from a processor within a 12-month period. Limits on the amount that can be transferred on a single day remain the same.

Minor decoys for hemp adult use cannabis items

Beginning January 2, 2025, OLCC may begin conducting minor decoy operations to assure adult use hemp items are not being sold to minors. The OLCC will continue to provide updates as these regulations are being implemented.

Temporary worker permits (effective March 31, 2025)

HB 4121 requires the OLCC to issue temporary worker permits so that applicants can go to work without waiting for OLCC to process their applications. Because of this change the OLCC will require the application fee to be paid at the time of application rather than the time of licensure.

The application process for a worker permit remains the same. Once you have completed all the steps in the application process and paid the fee, you will be notified by the OLCC that you have a temporary permit. Your temporary permit remains valid until you are issued a permanent worker permit, denied a worker permit, or your application is deemed incomplete.

The temporary worker permit will have a unique number to enter into the employee tab in the Cannabis Tracking System (CTS) and will not change when the employee receives a permanent worker permit.

Packaging and Labeling Changes

Several modifications are being made to the packaging and labeling rules in OAR 845-025-7000 through 7190.

• Nutrition Templates: <u>On and after January 1, 2026,</u> all marijuana and hemp edible labels <u>must</u> have an <u>updated nutrition template</u>. The templates are the same ones that are on conventional food. This change better aligns marijuana and hemp edible labels to national standards, provides more nutrition information, and clearer serving sizes for consumers. Starting January 1, 2025, licensees and Commission-certified hemp handlers may begin updating their labels with the new templates. Updating a nutrition template for a pre-approved label requires resubmission and pre-approval (generic labels do not require pre-approval). Licensees and Commission-certified hemp handlers may sticker over non-compliant nutrition templates if it has been pre-approved. Updating labels must be done in CAMP through the amendment process. This guide contains more information about this process.

Licensees and Commission-certified hemp handlers should factor in this requirement when ordering new labeling and purchasing edibles from other licensees in 2025. This requirement means that all marijuana and hemp edibles with non-compliant nutrition templates will be in violation of the packaging and labeling rules and cannot be compliantly sold on and after January 1, 2026. Licensees and Commission-certified hemp handlers are encouraged to update their labels before December of 2025.

See OARs <u>845-025-7030(19)</u>, <u>845-025-7090(11)</u>, <u>845-025-7160</u>, <u>845-025-7150</u>, <u>845-025-7170</u>, and Table 1 of OAR <u>845-025-7030</u>.

- Universal & Hemp Symbols: OARs <u>845-025-7030(7)</u> and (9) were clarified that the universal and hemp symbols may only be modified in their size and must meet the minimum size requirements.
- Separately Listing THCA on the Label: For cannabinoid edibles, tinctures, and capsules **tested on and after January 1, 2025**, if the delta-9-THC is less than 90% of the total THC, the label must separately display the delta-9-THC and THCA. These test results are already reported in METRC and these changes do not require resubmission and pre-approval. See OAR <u>845-025-7030(</u>6)(c).
- Denial of Deficient Submissions: **On and after January 1, 2025**, if a package or label is found deficient for a *third* time, the application will be *denied* and the applicant will be given the right to a hearing under the procedures in ORS Chapter 183. Applicants should carefully review the notes left in CAMP regarding the deficiencies and if they have questions, reach out to the packaging email below. See OAR <u>845-025-7160</u>(6) for more details.

Questions related to this section can be sent to marijuana.packaging@olcc.oregon.gov.