

UPDATE FOR INDUSTRY ON THE BILL & TECHNICAL RULES PACKAGE

RULES UPDATE SERIES

SESSION 2: PRODUCERS, PROCESSORS, AND TRANSFER PRIVILEGES



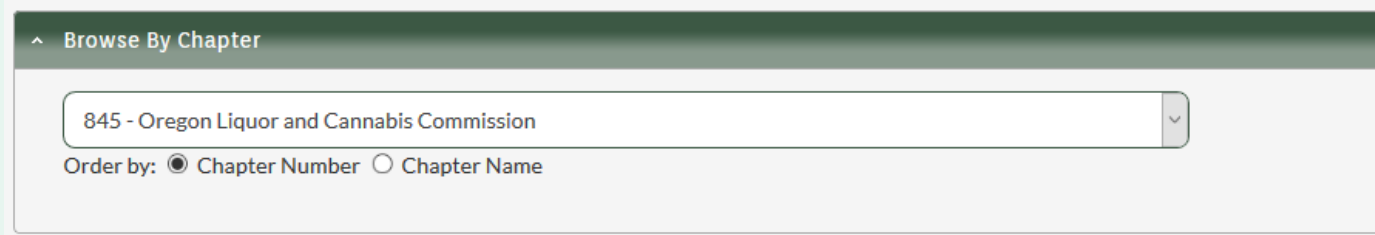
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February 2022



RULES UPDATE

ACCESSING THE RULES

- Current administrative rule language can always be accessed through Oregon Secretary of State: <https://secure.sos.state.or.us/oard/ruleSearch.action>

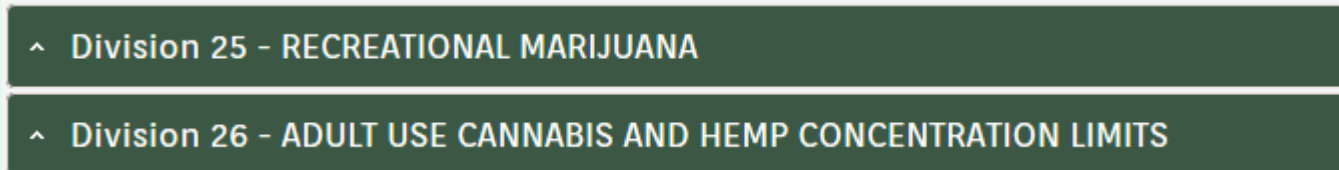


^ Browse By Chapter

845 - Oregon Liquor and Cannabis Commission

Order by: ☒ Chapter Number ☐ Chapter Name

- This rule package included changes in Chapter 845 [Division 25](#) and [Division 26](#).



^ Division 25 - RECREATIONAL MARIJUANA

^ Division 26 - ADULT USE CANNABIS AND HEMP CONCENTRATION LIMITS

- A document showing the changes from previous rule is available: https://www.oregon.gov/olcc/Docs/commission_minutes/2021/Draft-Final-Rule-2021-Marijuana-Bill-and-Technical-Package.pdf
- This document does **not** include all rules, only rules that have changed.

RULES UPDATE

SCOPE OF RULE CHANGES

- The Bill & Technical Rule Package adopted by the Commission on December 28, 2021 covers a wide range of subjects, including but not limited to:
 - Violation reclassification
 - THC concentration limits for marijuana items
 - THC concentration limits for hemp items
 - Regulation of artificially derived cannabinoids
 - Updating license transfer privileges
 - Interjurisdictional home delivery
 - Regulation of industrial hemp-derived vapor items
 - Miscellaneous technical fixes
- This session will focus generally on changes impacting producers, processors, and transfer privileges.
- This session reflects the status of OLCC rules as of January 1, 2022. Licensees viewing these materials at a later time should verify whether the rules have changed.

RULES UPDATE

NEW OREGON REVISED STATUTES

- The 2021 Edition of the Oregon Revised Statutes (ORS) has been published.
- ORS 475B, which used to house the bulk of Oregon's cannabis laws, has been replaced.
- Now the bulk of Oregon's cannabis laws are in ORS 475C:
https://www.oregonlegislature.gov/bills_laws/ors/ors475c.html
- They have also been updated to include legislative changes from the 2020 and 2021 legislative sessions.
- Statutes governing the Oregon Department of Agriculture's hemp program remain in ORS 571:
https://www.oregonlegislature.gov/bills_laws/ors/ors571.html

RULES UPDATE

PRODUCER TRANSFERS – COMMON OWNERSHIP

- OAR [845-025-2020\(1\)\(d\)](#)
- Producers may now transfer marijuana and kief to and from another producer under “common ownership.”
 - Common ownership means “any commonality between individuals or legal entities named as applicants or persons with a financial interest in a license or business proposed to be licensed that have a financial interest or management responsibilities for an additional license or licenses.”
OAR [845-025-1015\(21\)](#)
- Items that can be transferred to a producer under common ownership include:
 - Marijuana plant, including mature marijuana plants
 - Harvested marijuana that has not yet been dried
 - Usable marijuana
 - Kief

RULES UPDATE

PRODUCER TRANSFERS – COMMON OWNERSHIP

- Producers may now test usable marijuana that was transferred to them from a Producer license that is under **common ownership**. Producers must still follow OHA's testing rules in OAR 333 division 7, including testing every batch from a harvest lot.

RULES UPDATE

PRODUCER TRANSFERS – PROCESSED ITEMS

- OAR [845-025-2020](#)(1)(d)(G) and (1)(e)(F); OAR [845-025-1330](#)(2)(a)(B)
- Producers can receive processed items back from a processor if the item was made **using only marijuana produced by the producer**. This includes:
 - Cannabinoid concentrates
 - Cannabinoid extracts
 - Cannabinoid products
- The item must pass any required compliance testing before the processor transfers the item to the producer.
- After receiving these processed items from a processor, the producer can transfer these products to processors, wholesalers, or retailers, including trade samples as described under OAR [845-025-1330](#)(2)(a)(B).

RULES UPDATE

PRODUCER TRANSFERS – PROCESSED ITEMS

- These changes **do not** give producers the privilege to **process** marijuana items. By law, producers are limited to the following types of “processing”:
 - All producers may collect kief (a concentrate) from usable marijuana, as long as they comply with testing requirements.
 - A micro tier producer with the “Micro Tier Processing” endorsement may process concentrates using a mechanical extraction process or a process involving water (no extraction with ethanol or other solvents).
- Producers **do not** have the privilege to perform any other processing:
 - Producers may not make infused pre-rolls. Even if the producer receives an infused cannabis mixture from a processor, they cannot roll this mixture into a pre-roll.
 - Producers may not mix together batches of concentrates or extracts.
 - Producers may not add flavorings or other ingredients to a concentrate or extract.

RULES UPDATE

PRODUCERS & SEEDS

- Producers may now receive up to 200 seeds per month from outside the OLCC-licensed system. OAR [845-025-2020\(1\)\(e\)\(G\)](#)
 - This means a total of 200 seeds per month, not 200 seeds per month from each source.
 - The seeds still must be obtained from sources within the State of Oregon.
 - Any seeds received this way must be entered into Metrc as an “external transfer.”
- Producers may now also receive marijuana seeds directly from retailers. OAR [845-025-2020\(1\)\(e\)\(A\)](#)
 - These transfers must be performed as a “licensed transfer” in Metrc.

RULES UPDATE

OTHER PRODUCER CHANGES

- Batch tagging up to 36 inches:
 - OAR [845-025-7520\(1\)\(c\)](#)
 - OAR [845-025-7570\(1\)](#) and (4)
- In Metrc, non-flowering plants can stay untagged (in either an immature batch **or** an untagged vegetative plant) until reaches 36 inches tall.
- A plant must be individually tagged once it:
 - Begins “flowering”: meaning it “has formed a mass of pistils measuring greater than two centimeters wide at its widest point.”
 - Reaches 36 inches in height.

RULES UPDATE

OTHER PRODUCER CHANGES

- Averaging wet weight
- OAR [845-025-7580](#)(5)
- Producers are no longer required to enter plant-specific wet weights at time of harvest. Producers may use the mean average as the plant weight.
- For example, if a producer harvests five plants, this is a comparison of what the old rule would have required vs. what the new rule allows:

	Old Rule Requirement	New Rule
Plant 1	1.1 lb	1.35 lb
Plant 2	1.4 lb	1.35 lb
Plant 3	1.7 lb	1.35 lb
Plant 4	1.25 lb	1.35 lb
Plant 5	1.3 lb	1.35 lb
Total Weight	6.75 lbs	6.75

RULES UPDATE

OTHER PRODUCER CHANGES

- Averaging wet weight (Metrc functionality)
- Mean average calculation build into Metrc harvest template – select the plants being harvested and enter the total wet weight (of those selected plants)
- METRC Wiki:

<https://wiki-or.metrc.com/harvests#average-harvest-weight>

The screenshot shows the 'Harvest Flowering Plants' template in the Metrc system. It includes a 'Template' section with fields for 'Total Weight' (100 Pounds), 'Harvest Name' (Sample Harvest 9-22-21), 'Drying Location' (Harvest Room), and 'Harvest Date' (09/22/2021). Below this are three sections for individual plants, each with fields for 'Plant' ID, 'Weight' (33.3333 Pounds), 'Harvest Name', 'Drying Location', and 'Harvest Date'. The form is designed for entering harvest data for multiple plants.

RULES UPDATE

THC LIMITS FOR MARIJUANA ITEMS

- OAR [845-026-0210](#)
(adult use limits)

RETAIL ADULT USE CANNABIS CONCENTRATION AND SERVING SIZE LIMITS		
Type of Marijuana Item	Maximum Amount of Total Delta-9-THC Per Serving	Maximum Concentration or Amount of Total Delta-9-THC in a Container
Cannabinoid Product – Edibles	Before April 1, 2022: 5 mg On or after April 1, 2022: 10 mg	Before April 1, 2022: 50 mg On or after April 1, 2022: 100 mg
Cannabinoid Product – Topicals	N/A	6%
Cannabinoid Product – Transdermal Patches	10 mg	100 mg
Cannabinoid Product – Tinctures	N/A	1,000 mg
Cannabinoid Product – Capsules	10 mg	100 mg
Cannabinoid Concentrates or Extracts	N/A	2,000 mg
Cannabinoid Products Other than Cannabinoid Edibles, Topicals, Tinctures, Capsules, or Transdermal Patches and Not Intended for Human Consumption	N/A	1,000 mg
Cannabinoid Products Other than Cannabinoid Edibles, Topicals, Tinctures, Capsules, or Transdermal Patches and Intended for Human Consumption; or Cannabinoid Suppositories	Before April 1, 2022: 5 mg On or after April 1, 2022: 10 mg	Before April 1, 2022: 5 mg On or after April 1, 2022: 10 mg

RULES UPDATE

THC LIMITS FOR MARIJUANA ITEMS

- Changes:
 - THC limits for edibles and other cannabinoid products intended for human consumption increasing to 10 mg per serving and 100 mg per container on April 1, 2022.
 - Solid edibles exceeding 55 mg THC per container that are capable of being scored must be scored.
 - **Until April 1, 2022, retailers may not sell edibles that exceed 5 mg THC per serving or 50 mg THC per container.**
 - THC limits for concentrates and extracts increased to 2,000 mg per container (previous limit was 1,000 mg).
 - THC limits for transdermal patches increased to 10 mg per serving and 100 mg per container.

RULES UPDATE

100 MG THC EDIBLES – APRIL 1, 2022

- OAR [845-026-0210](#)

RETAIL ADULT USE CANNABIS CONCENTRATION AND SERVING SIZE LIMITS		
Type of Marijuana Item	Maximum Amount of Total Delta-9-THC Per Serving	Maximum Concentration or Amount of Total Delta-9-THC in a Container
Cannabinoid Product – Edibles	Before April 1, 2022: 5 mg On or after April 1, 2022: 10 mg	Before April 1, 2022: 50 mg On or after April 1, 2022: 100 mg

- Starting on April 1, 2022, edibles with up to 10 mg THC per serving and 100 mg THC per container may be sold to consumers.
- Processors may begin manufacturing and testing these items prior to April 1. [See Information Bulletin 2022-01 for more information.](#)

RULES UPDATE

100 MG THC EDIBLES – APRIL 1, 2022

- Licensees may provide trade samples of 100mg THC edibles to other licensees before to April 1, 2022 as long as the applicable requirements are met in OAR [845-025-1330](#).
- Licensees can provide trade samples of marijuana edibles (in rule these are “cannabinoid products”) that have been transported in accordance with OAR [845-025-7700](#), have been tested according to OHA’s testing rules, and meet certain labeling requirements.
- A licensee may supply to an individual recipient licensee, in aggregate, 5 units of sale per cannabinoid product line and no more than 6 individual cannabinoid product lines in a calendar month.
- Review OAR [845-025-1330](#) for the specific trade sample requirements.



RULES UPDATE

100 MG THC EDIBLES – APRIL 1, 2022

- Scoring Requirement: OAR [845-026-0210\(3\)](#)

(3) Cannabinoid edible serving size identification:

(a) A retail adult use marijuana item that is a cannabinoid edible must be scored, except as provided in subsections (b) and (c) of this section.

(b) If a retail adult use marijuana item is a cannabinoid edible that is not solid, or is incapable of being scored due to its texture or consistency, the cannabinoid edible must be:

(A) Sold and packaged with a measuring device that measures single servings; or

(B) Placed in packaging that clearly enables a consumer to determine when a single serving has been consumed.

(c) If a retail adult use marijuana item is a cannabinoid edible that does not exceed 55 milligrams of total delta-9 THC in the package, the cannabinoid edible must be:

(A) Scored;

(B) Sold and packaged with a measuring device that measures single servings; or

(C) Placed in packaging that clearly enables a consumer to determine when a single serving has been consumed.

RULES UPDATE

100 MG THC EDIBLES – APRIL 1, 2022

- Any solid edible that contains more than 55 mg THC in the container must be scored if it is capable of being scored.
- There is a **very** limited exception to the scoring requirement for edibles that cannot be scored due to their texture or consistency. Examples include a viscous solid like honey or a powder.
- Edibles that are under 55 mg THC in the container are “status quo” for scoring (they may be scored, a measuring device can be provided, or a serving diagram on the label may be used).
- Medical edibles are not required to be scored because there is no serving size limit. They may be scored, a measuring device can be provided, or a serving diagram may be used (if the processor suggests multiple servings).

RULES UPDATE

100 MG THC EDIBLES – APRIL 1, 2022

- Definition of “scored” in OAR [845-026-0100](#)(45)

(45) “Scored” means to permanently physically demark a cannabinoid edible in a way that enables a reasonable person to:

(a) Intuitively determine how much of the product constitutes a single serving; and

(b) Easily physically separate the edible into single servings either by hand or with a common utensil, such as a knife.

- Key aspects of this definition:
 - Permanent physical demarcation;
 - Intuitively determine how much is a single serving; and
 - Easily physically separate by hand or with a knife.

RULES UPDATE

100 MG THC EDIBLES – APRIL 1, 2022

- Examples of marijuana edibles that are scored:



RULES UPDATE

100 MG THC EDIBLES – APRIL 1, 2022

- What would not be “scored”:
 - Scoring marks using frosting, sprinkles, fudge, etc. (not permanent);
 - Score marks on the underside of an edible (not intuitive);
 - Score marks that are “fanciful” (not intuitive);
 - Score marks that will fade over time (not permanent);
 - Score marks that are uneven or inconsistent (inaccurate servings);
 - A paper serving diagram included in the package (not physically demarked); and
 - Score marks that may be technically accurate, but a consumer could not accurately use their hands or a knife to portion due to the nature of the product such as a hard candy (inaccurate servings).



RULES UPDATE

100 MG THC EDIBLES – APRIL 1, 2022

- Packaging and Labeling:
 - OLCC is currently accepting and approving label applications for 100mg THC edibles, these **cannot be sold** until on and after April 1, 2022.
 - The application must be accompanied by clear and accurate pictures of the edible.
 - Licensees are ultimately responsible for ensuring their edibles comply with the applicable requirements.
 - Licensees with existing approved 50mg THC edible labels may amend their existing application with 100mg THC edible labels.
 - Licensees with approved 50mg THC edible labels will likely need to resubmit their labels for pre-approval because many changes to these labels will require resubmission and pre-approval. See OAR [845-025-7160\(8\)](#).



RULES UPDATE

PACKAGING & LABELING UPDATES

- OAR [845-025-7020](#) was amended to no longer require child resistant packaging for usable marijuana (this includes “plain” pre-rolls).
- It is still “status quo” for all other marijuana and hemp items! If the container holding the item is not child resistant and continuously resealable, it must be placed in an exit bag at the point of sale.
- Licensees with approved usable marijuana labels may need to update their applications if they are using a different container. Licensees must accurately associate the package they are using with their label application.
- Consumers and patients may bring their own containers that are not child resistant for purchasing usable with the following caveats: the container must be clean and not impart any toxic or deleterious substances to the marijuana, the old label must be removed, and the container is compliantly labeled.

RULES UPDATE

PACKAGING & LABELING UPDATES

- Containers that meet certain dimensions must have principal display panel elements on the top of the lid. This requirement is mandatory on and after July 1, 2022 for generic labels and labels subject to pre-approval. This requirement primarily applies to small jars that hold extracts or concentrates. See OAR [845-025-7030](#)(3)
- Beginning July 1, 2022 all products containing artificially derived cannabinoids must have an approved label disclosing the presence of the artificially derived cannabinoid. See OAR [845-025-7145](#).
- Producers can submit label applications for other marijuana items that are not usable marijuana in their OLCC license dashboard.



RULES UPDATE

DAILY SALES LIMITS

- OAR [845-025-2800](#)(4)

(4) A retailer may not:

(a) Knowingly sell more than the following amounts to an individual at any one time or within one day:

(A) Two ounces of usable marijuana;

(B) 16 ounces of a cannabinoid product in solid form;

(C) 72 fluid ounces of a cannabinoid product in liquid form;

(D) Five grams of cannabinoid extracts or concentrates;

(E) Five grams of cannabinoid products intended for inhalation;

(F) Four immature marijuana plants; and

(G) 10 marijuana seeds.

RULES UPDATE

DAILY SALES LIMITS

- Two changes:
- Retailers may now sell two ounces of usable marijuana per adult use consumer per day (previous limit was one ounce)
- The limit on sales of cannabinoid concentrates or extracts was simplified to:
 - “Five grams of cannabinoid extracts or concentrates”
 - Previous limit specified “Five grams of cannabinoid extracts or concentrates, *whether sold alone or contained in an inhalant delivery system or combined with usable marijuana*”
 - Products that combine a concentrate or extract with usable marijuana are already covered by the limit on “cannabinoid products intended for inhalation”; this change just removed redundant language

RULES UPDATE

CANNABINOID PRODUCTS INTENDED FOR INHALATION

- How do these limits impact vapes, infused pre-rolls, etc.?
 - The limits for cannabinoid products intended for inhalation have not changed; the rule change eliminates potential overlap with the daily sales limit for concentrates or extracts.
- A quick refresher on marijuana item categories: The following categories are mutually exclusive:
 - Usable marijuana
 - Cannabinoid concentrate
 - Cannabinoid extract
 - Cannabinoid product
- “Cannabinoid product” includes any marijuana item that is not usable marijuana by itself, a concentrate by itself, or an extract by itself.

RULES UPDATE

CANNABINOID PRODUCTS INTENDED FOR INHALATION

- Any combination of two or more of the following is a cannabinoid product:
 - Usable marijuana
 - Cannabinoid concentrate
 - Cannabinoid extract
 - Other ingredients (including hemp ingredients)

<i>Combined with</i>	Usable Marijuana	Cannabinoid Concentrate	Cannabinoid Extract	Cannabinoid Product	Other Ingredients
Usable Marijuana	Usable Marijuana	Cannabinoid Product	Cannabinoid Product	Cannabinoid Product	Cannabinoid Product
Cannabinoid Concentrate	Cannabinoid Product	Cannabinoid Concentrate	Cannabinoid Product	Cannabinoid Product	Cannabinoid Product
Cannabinoid Extract	Cannabinoid Product	Cannabinoid Product	Cannabinoid Extract	Cannabinoid Product	Cannabinoid Product
Cannabinoid Product	Cannabinoid Product	Cannabinoid Product	Cannabinoid Product	Cannabinoid Product	Cannabinoid Product
Other Ingredients	Cannabinoid Product	Cannabinoid Product	Cannabinoid Product	Cannabinoid Product	Not a marijuana item

RULES UPDATE

CANNABINOID PRODUCTS INTENDED FOR INHALATION

- Looking at the Metrc categories, as listed in the [Categorization Guide](#):
- A concentrate should always be recorded in Metrc as a “Concentrate”
- An extract should always be recorded in Metrc as an “Extract”
- The following categories fall under the umbrella of cannabinoid products intended for inhalation:
 - “Infused Pre-rolls”
 - “Inhalable Cannabinoid Product with non-Cannabis Additives”
 - “Combined Category”:
 - This is the only category where the retailer needs to look at what the item is. If intended for inhalation, it counts toward the “cannabinoid products intended for inhalation” total.

RULES UPDATE

CANNABINOID PRODUCTS INTENDED FOR INHALATION

- There isn't a single five gram limit that applies across the board to inhalable products. There are two separate five gram limits:
 - Five grams of inhalable cannabinoid products (not including a concentrate by itself or an extract by itself)
 - Five grams of concentrates or extracts (whether intended for inhalation or not).
- For example, a consumer could buy:
 - Two infused pre-rolls with a net weight of 1.5 g each;
 - Two 1 g "combined category" vape cartridges;
 - Two grams of cannabinoid concentrate; and
 - Three 1 g cannabinoid extract vape cartridges
- This adds up to five grams of cannabinoid products intended for inhalation ($1.5 + 1.5 + 2 = 5$) and five grams of concentrate or extract ($2 + 3 = 5$).

RULES UPDATE

THC LIMITS FOR HEMP ITEMS

- OAR [845-025-2760](#) (limits for hemp items **in the OLCC system**)

THC CONCENTRATION LIMITS FOR INDUSTRIAL HEMP AND HEMP ITEMS			
Category of Hemp or Hemp Item	Maximum Amount of Total Delta-9-THC Per Serving	Maximum Amount of Total Delta-9-THC per Container	Maximum Concentration of Total Delta-9-THC
Harvested Industrial Hemp	N/A	NA	1%
Usable Hemp	N/A	NA	1%
Hemp Concentrates or Extracts	N/A	100 mg	5%
Hemp Cannabinoid Product – Tincture	N/A	100 mg	1%
Hemp Cannabinoid Product – Topical	N/A	NA	0.3%
Hemp Cannabinoid Products Other than Tinctures or Topicals	2 mg	20 mg	1%

(for hemp items outside the OLCC system, see OARs [845-026-0300](#) and [845-026-0400](#))

RULES UPDATE

THC LIMITS FOR HEMP ITEMS

- Changes:
 - THC limit for hemp edibles (and hemp cannabinoid products other than tinctures or topicals) increased to 2 mg per serving and 20 mg per container (previous limit was 1 mg per serving and 10 mg per container)
 - THC limit for hemp tincture, hemp concentrates, and hemp extracts increased to 100 mg per container (previous limit was 50 mg)
 - THC limit for hemp tinctures increased to 100 mg per container.
 - THC limit for topicals changed to 0.3% (previous limit was 10 mg per container; for products weighing more than 3.3 g, this change is an increase)
- These changes are generally in line with limits for hemp products outside the OLCC system.
- Main difference from limits outside the OLCC system is that products in the OLCC system may sometimes exceed 0.3% THC.

RULES UPDATE

ARTIFICIALLY DERIVED CANNABINOIDS

- What is an artificially derived cannabinoid (ADC)? OAR [845-025-1015\(3\)](#)
 - (3)(a) “Artificially derived cannabinoid” means a chemical substance that is created by a chemical reaction that changes the molecular structure of any chemical substance derived from the plant Cannabis family Cannabaceae.
 - (b) “Artificially derived cannabinoid” does not include:
 - (A) A naturally occurring chemical substance that is separated from the plant Cannabis family Cannabaceae by a chemical or mechanical extraction process;
 - (B) Cannabinoids that are produced by decarboxylation from a naturally occurring cannabinoid acid without the use of a chemical catalyst; or
 - (C) Any other chemical substance identified by the commission, in consultation with the authority and the department, by rule.

RULES UPDATE

ARTIFICIALLY DERIVED CANNABINOIDS

- What is an artificially derived cannabinoid (ADC)? OAR [845-025-1015\(3\)](#)
- Key feature is how it's made: "by a chemical reaction that changes the molecular structure of any chemical substance derived from" cannabis.
- May or may not be intoxicating.
- May or may not also occur naturally in cannabis.
- Does not include decarboxylation or other changes that occur with heat or age without the addition of reagents.
- Examples of substances that are commonly created as artificially derived cannabinoids:
 - Δ^8 -THC; CBN; Δ^8 -THC-O-acetate; Δ^9 -THC-O-acetate; HHC

RULES UPDATE

ARTIFICIALLY DERIVED CANNABINOIDS

- Prohibitions on transferring ADCs: OAR [845-025-1310](#)(1)
- Licensees may only transfer an ADC or a product containing an ADC if:
 - The ADC is not a controlled substance in Oregon; **and**
 - The ADC was manufactured by an OLCC Processor or ODA Hemp Handler; **and**
 - The ADC was manufactured in a facility with an ODA food safety license; **and**
 - The ADC is not intended for inhalation; **and**
 - The ADC is non-intoxicating; **and**
 - The ADC also occurs as a natural component of cannabis (as reported in at least three peer-reviewed publications); **and**
 - The manufacturer of the ADC has submitted a New Dietary Ingredient (NDI) notification to FDA and received a “no objections” response **or** made a GRAS determination (either self-affirmed or acknowledged by FDA).
- There are two limited exceptions to this prohibition.



RULES UPDATE

ARTIFICIALLY DERIVED CANNABINOIDS

- Sell-through for existing products containing artificially derived cannabinoids. OAR [845-025-1310](#)(4)
- **Until July 1, 2022** licensees may continue to process and sell products containing ADCs if:
 - The ADC was manufactured by a processor or received from a Commission-certified hemp handler before January 1, 2022.
 - The processing of the ADC did not violate OLCC rules.
 - For example, converting CBD into delta-8-THC, THC-O-acetate, or hexahydrocannabinol violates OAR [845-025-3220](#)(3), which prohibits treating marijuana items with a substance that increases the potency.
- On and after July 1, 2022, products containing ADCs can no longer be transferred or sold to consumers unless the product complies with the general ADC requirements (previous slide), or the ADC is CBN and the product complies with the exemption for certain CBN products (next slide).



RULES UPDATE

ARTIFICIALLY DERIVED CANNABINOIDS

- Exemption for certain CBN products. OAR [845-025-1310](#)(3)
- Some marijuana products and hemp products are made with cannabitol (CBN) that is created synthetically from CBD or THC derived from cannabis.
- **Until July 1, 2023**, these products can continue to be sold as long as:
 - The CBN is not a controlled substance in Oregon; **and**
 - The CBN was manufactured by an OLCC Processor or ODA Hemp Handler; **and**
 - The CBN was manufactured in a facility with an ODA food safety license; **and**
 - The product is not intended for inhalation.
- Beginning July 1, 2022, these products must have an approved label that complies with OAR [845-025-7145](#).
- After July 1, 2023, products containing artificially-derived CBN must comply with the normal ADC requirements in OAR [845-025-1310](#)(1).



RULES UPDATE

ARTIFICIALLY DERIVED CANNABINOIDS

- Artificially derived cannabinoid labeling requirements. OAR [845-025-7145](#)

On or after July 1, 2022, a label for a marijuana or hemp item that contains an artificially derived cannabinoid allowed by OAR 845-025-1310 must comply with the following requirements:

(1) In addition to the requirements of OAR 845-025-7000 through 845-025-7190, the product identity must clearly identify that the product contains an artificially derived cannabinoid and must include the words “artificially derived cannabinoid.”

(2) If these rules require the label for the marijuana or hemp item to list the ingredients, the ingredient listing must identify any artificially derived cannabinoid by its full name and use the words “artificially derived” in the description of the specific ingredient.

- ADC labels cannot be a “generic label.” OAR [845-025-7000\(22\)\(b\)\(B\)](#)

(22) “Generic label”

(b) Does not mean:

(B) A label for a marijuana or hemp item that contains an artificially derived cannabinoid allowed by OAR 845-025-1310 that is sold or transferred on or after July 1, 2022.

RULES UPDATE

ARTIFICIALLY DERIVED CANNABINOIDS

- Beginning July 1, 2022, all products containing ADCs, including CBN, must have an approved label that complies with OAR [845-025-7145](#).
- On and after July 1, 2022, retailers cannot sell an ADC-containing product to a consumer unless it complies with these labeling requirements.
- On and after July 1, 2022, products containing ADCs **cannot use a generic label.**
- The label must disclose that the product contains an ADC:
 - Must include the words “artificially derived cannabinoid” in the product identity.
 - If the item type requires an ingredient list, the ingredient listing must identify any artificially derived cannabinoid by its full name and use the words “artificially derived” in the description of the specific ingredient.



RULES UPDATE

ARTIFICIALLY DERIVED CANNABINOIDS

- Recap: Requirements come into effect in three stages. Products with artificially derived cannabinoids can be sold to consumers as long as they meet at least one of the rule conditions listed below.
- **From now until July 1, 2022:**
 - OAR 845-025-1310(4); or
 - OAR 845-025-1310(3); or
 - OAR 845-025-1310(1)
- **From July 1, 2022 to June 30, 2023:** Product has an approved ACD label and meets:
 - OAR 845-025-1310(3); or
 - OAR 845-025-1310(1)
- **From July 1, 2023 onward:** Products has an approved label and meets the requirements of OAR 845-025-1310(1)



RULES UPDATE

WHAT THIS MEANS FOR CRC

- This is **not** a blanket ban on CRC processing. However, this does prohibit artificially derived cannabinoids except as allowed under OAR [845-025-1310](#).
- If a processor runs an extract or concentrate through CRC under conditions that create artificially derived cannabinoids such as Δ^{10} -THC or Δ^{6a} -THC, the resulting extract or concentrate is subject to the new limitations on ADCs.
- It is a processor's responsibility to understand and be familiar with the outputs of their processes.
- Ordinary purification methods with inert materials that do not react with cannabinoids or catalyze reactions with cannabinoids are still permitted. The new rules only place restrictions on products containing ADCs.
- The same applies to other decolorization or purification processes: If the process creates ADCs, it is subject to OAR [845-025-1310](#) .

RULES UPDATE

REFRESHER: HEMP IN THE OLCC MARKET

- Licensees can only receive hemp or hemp items via a **licensed transfer** in Metrc.
- Key terminology:
 - **Hemp license**: Issued by ODA. E.g. Hemp Grower or Hemp Handler.
 - **Hemp certificate**: Issued by OLCC to a Hemp Grower or Hemp Handler. Hemp certificate holders receive a Metrc account and can transfer harvested hemp or hemp items to an OLCC licensee (as allowed by rule)
 - **Hemp endorsement**: A privilege that may be requested by an OLCC-licensed marijuana processor. Processors with a hemp endorsement may receive, process, and transfer hemp and hemp items (as allowed by rule)
- Types of hemp material that may be transferred to OLCC licensees:
 - **Harvested industrial hemp**: Raw harvested material that has not been processed into a commodity or product. Does not include “usable hemp.”
 - **Hemp item**: Hemp commodities or products that contain cannabinoids. Includes: “usable hemp” (smokable flower), industrial hemp concentrates, industrial hemp extracts, and cannabinoid hemp products.



RULES UPDATE

REFRESHER: HEMP IN THE OLCC MARKET

- Hemp Grower Certificate holders can only transfer harvested industrial hemp, **not** hemp items.
- Hemp Handler Certificate holders can transfer harvested industrial hemp and hemp items.
- Processors **with a hemp endorsement** can receive harvested industrial hemp and hemp items.
- Wholesalers can receive harvested industrial hemp and hemp items.
- Retailers can only receive hemp items, **not** harvested industrial hemp
- Producers **cannot receive** harvested industrial hemp or hemp items.



RULES UPDATE

REFRESHER: HEMP IN THE OLCC MARKET

- Before transferring harvested industrial hemp or hemp items to an OLCC licensee, the hemp certificate holder must:
 - Enter the hemp or hemp item into Metrc.
 - Request the required compliance testing. The test samples are recorded in Metrc so the results attach to the package when the lab completes testing.
 - If the hemp or hemp item passes testing, including having THC results below the limits allowed under OAR [845-025-2760](#), the item can be transferred to an OLCC licensee as allowed by rule.
- Handlers may not transfer hemp items containing artificially derived cannabinoids unless the licensee is allowed to receive them under OAR [845-025-1310](#).
- Finished products must comply with OLCC labeling requirements, including either having an approved label or using a valid generic label.



RULES UPDATE

TRANSFERRING HEMP TO NON-LICENSEES

- Hemp Item Transfers to Unlicensed Persons. OAR [845-025-3320](#)
- Processors with an industrial hemp endorsement may transfer hemp items out of the OLCC-licensed system to unlicensed businesses and individuals if:
 - The hemp item has passed compliance testing; **and**
 - The hemp item does not exceed 0.3% total THC; **and**
 - The hemp item otherwise complies with OLCC rules.
- All transfers must be recorded in Metrc, and a manifest must be generated.
- The hemp items must be held on-site under camera coverage for at least three business days (not including weekends or holidays) after generating the manifest.
- If the processor is transporting the items, they must carry a physical copy of the manifest.



RULES UPDATE

TRANSFERRING HEMP TO NON-LICENSEES

- If the processor is transferring hemp items to a consumer, or to a minor, they also need to comply with general requirements for sales to consumers or minors:
 - Cannot transfer an item to a minor (under 21 years of age) unless it complies with OAR [845-026-0300](#): Contains less than 0.5 mg or more total THC, does not contain artificially derived cannabinoids (ADCs), etc.
 - Cannot transfer an item to a consumer in Oregon if it contains more THC than allowed under OAR [845-026-0400](#), or contains ADCs.
- If the processor is transferring hemp items to a person other than a consumer and the recipient is at least 21 years of age, OARs [845-026-0300](#) and [845-026-0400](#) do not apply.

RULES UPDATE

TRANSPORTATION

- OAR [845-025-7700](#)(1)(a)
- Marijuana items, or hemp items subject to the marijuana transportation rules, being transferred between licensed premises may be transported by:
 - A licensee or licensee representative of the originating license **or another license under common ownership**;
 - A licensee or licensee representative of the receiving license; or
 - A wholesale licensee or wholesale licensee representative on behalf of the originating or receiving licensee.
- Common ownership means “any commonality between individuals or legal entities named as applicants or persons with a financial interest in a license or business proposed to be licensed that have a financial interest or management responsibilities for an additional license or licenses.”
OAR [845-025-1015](#)(21)

RULES UPDATE

HELPFUL LINKS

- Helpful links:
 - OLCC Website: <https://marijuana.oregon.gov/>
 - OLCC Public Meetings:
https://www.oregon.gov/olcc/pages/public_meetings.aspx
 - GovDelivery:
https://public.govdelivery.com/accounts/OLCC/subscriber/new?topic_id=OLCC_14
 - OAR 845 Division 25:
<https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=3873>
 - OAR 845 Division 26:
<https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=6492>
 - ORS 475C:
https://www.oregonlegislature.gov/bills_laws/ors/ors475C.html



RULES UPDATE

MORE QUESTIONS?

- Questions for OLCC about...
 - Marijuana compliance: OLCC.Marijuana@oregon.gov
 - Marijuana licensing: Marijuana.Licensing@oregon.gov
 - Packaging & labeling: Marijuana.Packaging@oregon.gov
 - Testing: OLCC.Labs@oregon.gov
 - Hemp: OLCC.Hemp@oregon.gov
 - Rulemaking: OLCC.Rulemaking@oregon.gov
 - Metrc questions:
 - support@metrc.com / 877-566-6506
 - Marijuana.CTS@oregon.gov

