

# Marijuana in Oregon:

## State resources by topic

Types of common questions and suggested state resources to refer to for information.

### HEALTH

- Product Testing
- Concentration Limits
  - Labeling
- Youth Prevention

AGENCY: **Oregon Health Authority**

### POSSESSION

- Packaging
- What's legal?
- Minor in Possession decoy operations

AGENCY: **Oregon Liquor Control Commission**

### PUBLIC SAFETY

- Nuisance complaints
- DUI / field sobriety tests
  - Enforcement at unlicensed locations

AGENCY: **Local law enforcement and Oregon State Police**

### AGRICULTURE

- Pesticides
- Weights and measures
  - Food safety
- Agricultural water quality
  - Industrial hemp

AGENCY: **Oregon Department of Agriculture**

### HAVE A QUESTION?



### RECREATIONAL MARIJUANA

- Industry licensing
- Cannabis Tracking System
- Marijuana worker permits
- Enforcement of licensed locations

AGENCY: **Oregon Liquor Control Commission**

### TAXATION

- Filing tax returns
- Tax payment options
- Revenue reporting and distributions
  - State tax deductions
- Payroll taxes and employee withholding

AGENCY: **Oregon Department of Revenue**

### MEDICAL MARIJUANA

- Medical Marijuana Cardholder Registry (patient, caregiver & grower)
- Medical Marijuana Registration (grower, processor, dispensary)
- Inventory reporting
- Registered locations enforcement

AGENCY: **Oregon Health Authority**

### MORE INFORMATION

- [whatslegaloregon.com](http://whatslegaloregon.com)
- [marijuana.oregon.gov](http://marijuana.oregon.gov)

#### Oregon Liquor Control Commission:

Regulates the sale of recreational marijuana in Oregon. Works with local law enforcement and State Police to enforce the law.

ph: 503 872 5000  
[marijuana.oregon.gov](http://marijuana.oregon.gov)

#### Oregon Health Authority:

Oversees the medical marijuana cardholder registry for patients and regulates medical marijuana dispensaries, processors and grow sites.

ph: 971 673 1234  
[healthoregon.org/ommp](http://healthoregon.org/ommp)

#### Oregon Department of Agriculture:

Administers many programs that affect agriculture producers and processors. Programs could also affect cannabis production, processing, wholesale, and retail activities.

ph: 503 986 4550  
[bit.do/CannabisODA](http://bit.do/CannabisODA)

#### Oregon Department of Revenue:

Administers Oregon tax laws and collects taxes for more than 30 programs, including the recreational marijuana program.

ph: 503 947 2597  
[oregon.gov/dor/marijuana](http://oregon.gov/dor/marijuana)



## Educate Before You Recreate

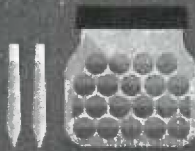
In Oregon, it's legal for adults 21 and older to purchase, possess and use recreational marijuana... but there are limits.

# 21+

You can possess, use and buy recreational marijuana if you are 21 and older. If you are younger, it's illegal.



OLCC-licensed retail stores may sell marijuana to recreational users or OMMP patients. You may also grow your own or receive it as a gift.



There are limits to how much recreational marijuana you may possess, both in public or in private.



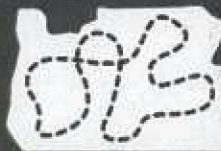
Gifting and giveaways by individuals is allowed, but may not include any financial consideration.



Driving under the influence of marijuana remains illegal. Please be responsible.



Adults 21 and older can use recreational marijuana at home or on private property. You can't use recreational marijuana in public places.



You cannot take marijuana in or out of the state, even to other states where it is legal.



Oregon is committed to creating a well-regulated industry, and to preventing underage marijuana use.



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WITH PEOPLE YOU KNOW

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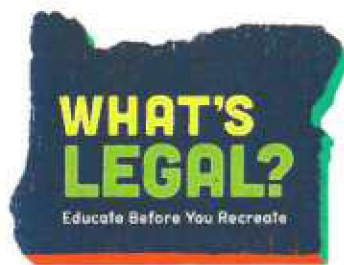
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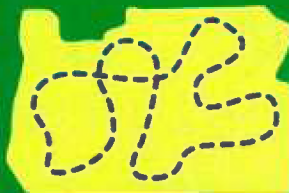
[WHATSOLEGALOREGON.COM](http://WHATSOLEGALOREGON.COM)



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**PLEASE SHARE THIS INFORMATION WITH PEOPLE YOU KNOW**

Some aspects of the law are still being determined.  
To stay up to date, sign up for our e-newsletter or connect with us.

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# PACKAGING AND LABELING GUIDE

## FOR MEDICAL AND RECREATIONAL MARIJUANA

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January 2017





This document is meant to help explain the packaging and labeling rules.  
However, this guide should not replace a thorough reading of the rules.

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## BEFORE YOU BEGIN

\*\* The packaging and labeling rules discussed in this document apply to marijuana items that are for ultimate sale to a consumer, patient, or designated primary caregiver. They do not apply to lab sampling or bulk transfers of product from one licensee to another. For the rule governing transportation, please refer to OAR 845-025-7700. \*\*



For the purposes of this document, the following terms are defined as follows:

Licensee - any person who holds a license issued by the Oregon Liquor Control Commission (OLCC) under ORS 475B.070 (Production license), 475B.090 (Processor license), 475B.100 (Wholesale license), 475B.110 (Retail license), or 475B.560 (Laboratory license).

Registrant - means a person registered with the Oregon Health Authority (OHA) under ORS 475B.420, 475B.435, or ORS 475B.450.

Applicant - a person who is in the process of applying to be a licensee or registrant. Applicants cannot receive package or label approval until they become a licensee or registrant.

Please take a look at the Definitions section for a full list of term definitions.

***The OHA and OLCC may have additional requirements that are not covered in this guide so it is important to read the rules. This guide is not a replacement for reading the rules.***



## PACKAGING

### General Requirements

Each marijuana item must be packaged in a container that conforms to the rules found in OAR 845-025-7000 through 845-025-7060. A "container" is a sealed, hard or soft-bodied receptacle in which a marijuana item is placed. OAR 845-025-7060 requires all licensees and registrants who package marijuana items for ultimate sale to a consumer, patient, or designated primary caregiver to get all packages and labels approved through the OLCC pre-approval process (see Pre-approval Process Section). Packages and labels must be approved before any marijuana item is sold to a consumer, patient, or caregiver.



**Packages must protect the marijuana items they hold.** Containers and packaging that hold marijuana items must protect those items from contamination and must not expose the marijuana item to any toxic or harmful substance. See [OAR 845-025-7020](#).



**Packages cannot contain false or misleading statements.** A false or misleading statement is one that is either not true or a statement that implies something about the product that is not true. For example, making a claim that the product treats or cures a disease, when there is no significant scientific information to support that claim, would be a misleading statement. Similarly, labeling your product or product ingredients as "organic" when they have not properly certified would also be a misleading statement. See the sections on [Organic](#) and [Health Claims](#) for more information.

**Marijuana items cannot be packaged in a manner that is attractive to minors.** Any of the following items would be considered "attractive to minors:"



Both images are "cartoons." The penguin (above) has comically-exaggerated features, and the winged character (below) displays unnatural or extra-human abilities.



- (1) Cartoons;
- (2) Designs, brands, or names that resemble a non-cannabis product that is typically marketed to minors;
- (3) Symbols or celebrities that are commonly used to market products to minors would be considered "attractive to minors;"
- (4) Images of minors; or
- (5) Words that refer to products that are commonly associated with minors or marketed by minors.

A "cartoon" is any drawing or depiction of an object, person, animal, creature or any similar caricature that:

- (1) Uses comically-exaggerated features;<sup>i</sup>
- (2) Attributes human characteristics to animals, plants or other objects; or
- (3) Attributes unnatural or extra-human abilities, such as imperviousness to pain or injury, X-ray vision, tunneling at very high speeds, or transformation (i.e. Superheroes).<sup>ii</sup>

A package holding a marijuana item cannot appear similar to any consumer product that is typically marketed towards minors or use the same types of symbols that are used to market products to children.

**All marijuana items, except plants and seeds, must be sold in child-resistant packages.** All child-resistant packages must be tested and certified as meeting the standards set out in 16 CFR 1700 by a qualified, third-party testing firm. Child-resistant packages come in two forms: single-use and resealable, continually child-resistant. A single-use, child-resistant package is one that meets the child-resistance standard until it is opened. A resealable, continually child-resistant package is one that is capable of being resealed after being opened and maintains its child-resistance throughout the life of the product.



This photo is an example of a single-use package.

## Marijuana Packaging and Labeling Guide

If the marijuana item being sold is a marijuana plant or marijuana seeds, no child-resistant packages are required. If the marijuana item is (1) a cannabinoid product that contains 15 mg of THC or less or (2) usable marijuana, the item can be packaged in a single-use, child-resistant package. If the item is a cannabinoid product that contains more than 15 mg of THC or if the item is an extract or concentrate, the item must be packaged in a resealable, continually child-resistant package. The marijuana item may be placed directly in a container that meets the child-resistance standard or the container may be placed in an approved child-resistant, exit package. See Table Below.

Type of Packaging Required	Re-sealable & Child-Resistant throughout Life of the Product	Child-Resistant when Product Leaves Store	Child-Resistant Packaging Not Required
Type of Marijuana Item Sold	<ul style="list-style-type: none"><li>• Edibles, Topicals, or Tinctures with <u>more than 15mg</u> of THC.</li><li>• Concentrates and Extracts</li></ul>	<ul style="list-style-type: none"><li>• Edibles, Topicals, or Tinctures with <u>15 mg THC or fewer</u>.</li><li>• Usable Marijuana</li></ul>	<ul style="list-style-type: none"><li>• Immature Plants</li><li>• Seeds</li></ul>

**PRODUCTS MAY BE DIRECTLY PACKAGED IN CONTAINERS THAT MEET CHILD-RESISTANT REQUIREMENTS OR THE PACKAGED PRODUCT MAY BE PLACED INTO AN APPROVED EXIT PACKAGE AT THE POINT OF SALE.**

### Child-Resistant Packaging

The term “child resistant” is defined in OAR 845-025-7000 as packaging that is designed or constructed to be significantly difficult for children under five years of age to open and not difficult for adults to use properly. Under OAR 845-025-7020, all marijuana items for sale to a consumer, patient, or designated primary caregiver, except for plants and seeds, must:

- (1) Be packaged in a container that is child-resistant as certified by a qualified third party child-resistant package testing firm;
- (2) If the marijuana item is an edible, topical, or tincture that contains more than 15 mg of THC, or if the marijuana item is an extract or concentrate, the item must be packaged in a container or placed in an exit package that is capable of being resealed and made child resistant again after it has been opened, as certified by a qualified third party child-resistant package testing firm.



*This photo is an example of a resealable, child-resistant package.*

The standard for child-resistant packaging is set by the Consumer Product Safety Commission (CPSC). To determine whether a package meets the standard for child-resistance, a third-party testing firm follows the testing procedure found in 16 CFR 1700.20. If a package has been tested by a qualified firm, proof of certification must be provided to the OLCC before the OLCC can approve the package as meeting the child-resistant standard.



## Marijuana Packaging and Labeling Guide

The CPSC maintains a [list of testing firms](#). A copy of that list can be found in the [Child-Resistant Testing Firms](#) section. The OLCC does not endorse any of the firms listed.

### Exit Packaging

OAR 845-025-7000 defines “exit package” as “a sealed container provided at the retail point of sale in which any marijuana items already within a container are placed.” Exit packages can be used to add child resistance to a container that is not child resistant on its own. All marijuana items, except plants and seeds, must leave the dispensary or retail store in a child-resistant container. Marijuana items can be displayed in the store in non-child resistant packages but those packages must be placed in child-resistant exit packages at the point of sale. Multiple products can be placed in the same exit package at the point of sale. Exit packages may also be reused as long as they are re-sealable and remain child resistant throughout the life of the product.



All exit packages must be approved by the OLCC Pre-approval Process. The fee for approval is \$100 per package. Once the OLCC begins accepting applications and approving packages, any package on the approved list may be used without additional approval. When certain changes are made to an approved package or label, the new package and / or label must be resubmitted to the OLCC. See the [Pre-Approval Process](#) section for more information.

Pursuant to OAR 333-007-0090, all exit packaging must contain a label that reads: "Keep out of the reach of children" in at least 8 point Times New Roman, Helvetica, or Arial font. This warning is the only required label information. An exit package that has only this required warning printed on it without any additional text, graphics, logos, or pictures, would have a generic label that would not require OLCC label pre-approval. However, if the exit package contained any logos, pictures, graphics, or additional text not required by rule, the label would not be generic and would need to be submitted for label pre-approval with an additional \$100 fee.

The exit package may be provided by the producer, processor, or wholesaler that packaged the marijuana item for sale to a consumer, patient, or designated primary caregiver or the retail store or dispensary where the marijuana item is sold. Regardless who provides the exit package, it must be approved for use by the OLCC.

#### Retailer / Dispensary Responsibility

The retailer or dispensary is responsible for making sure that products that require a child-resistant exit package leave the retail store in one. If the container holding the marijuana item is child resistant and on the OLCC approved list, it does not need an exit package. However, if the item is not in a child-resistant package, the retailer or dispensary is responsible for making sure that the marijuana item leaves the store in an OLCC-approved exit package.

### Re-using Packaging

Only packaging that is resealable and continually child-resistant may be re-used. If a marijuana item is placed in a package that is being re-used, the old label or labels must be removed, and

the package must have a new label or labels attached to it. Additionally, any packaging that is being re-used cannot contaminate the marijuana items and must not expose the item to any toxic or deleterious substances.

# LABELING

## General Requirements

A label is any written, printed, or graphic matter affixed to, applied to, attached to, blown into, formed, molded into, embossed on, or appearing upon or adjacent to a package containing a marijuana item for purposes of branding, identifying, or giving any information with respect to the item or to the contents of the package.

**Each marijuana product type has specific requirements that must be included on the label.**

The label requirements for each product type can be found in OAR 333-007-0010 through 333-007-0100. All labeling requirements outlined in the rules is considered required information that must be included on the product's label. Failure to include required information on a label may result in the denial of a label application. For a checklist of the specific requirements for each product type, go to the Label Checklist Section. Regardless of the product type, all labels must follow the same general requirements.

**All the required information on a label must:**

1. Be in at least 8 point Times New Roman, Helvetica or Arial font, although the font can be larger;
2. Be in English, but the information can be included in other languages; and
3. Be unobstructed and conspicuous, meaning that all required information must be visible on the outside of the package.

**Additionally, every label must contain:**

1. A principal display panel as defined by OAR 333-007-0020. (See the Principal Display Panel Section for more information).
2. The universal symbol (at least 0.48 inches wide by 0.35 inches tall); and
3. All of the information required by rule for the specific product type (plant, seed, usable marijuana, edible, topical, concentrate, extract, or tincture).

**Non-required information can be in any font or size.** Only three fonts can be used to display the required information. Any information that is required must be no smaller than 8 point font. Additional information that is not required by rule may be in any font type and size as long as that text complies with the rest of the rules.

**A package may have more than one label panel attached or affixed to it.** Label information can be printed directly on the package, affixed to the package (i.e. with glue or as a sticker), or embossed or blown into the package.



*This photo shows a package with two label panels.*



**If your product falls into one or more categories that item must comply with the labeling requirements for both categories.** For example, a concentrate that can also be consumed like an edible must have the labeling requirements for both concentrates and edibles, with the exception of the "DO NOT EAT" warning because the product is intended for human consumption and the "BE CAUTIOUS" warning if the effects of the product are customarily felt immediately.

**Testing information for all laboratories and tests must be included on the label.** If a marijuana item was tested by more than one lab or has more than one test batch number and / or test analysis date associated with it, each lab, test batch number, and test analysis date must be included on the label. For example, if one lab tests for THC concentration and a different lab tests for pesticides, the information for both labs and tests must be included on the label. (See example of lab information on the right.) Similarly, if a first test fails and a subsequent re-test passes, the information for both tests must be included on the label.

Licensed Lab One  
# 125879658245125874563258  
Date Tested: 06/20/16

Licensed Lab Two,  
# 569856741236589754120369  
Date Tested: 07/01/16

*Every lab name, batch test number, and test date that is associated with the product must be included on the label.*

"Test batch" means a group of test samples that are collectively submitted to a laboratory for testing purposes. The test batch number is one number that is given to those samples by the laboratory at the time of testing.

The THC and CBD concentrations must be the value calculated by the laboratory that did the testing in accordance with OAR 333-064-0100, plus or minus five percent.

### **Label Prohibitions**

A label may not:

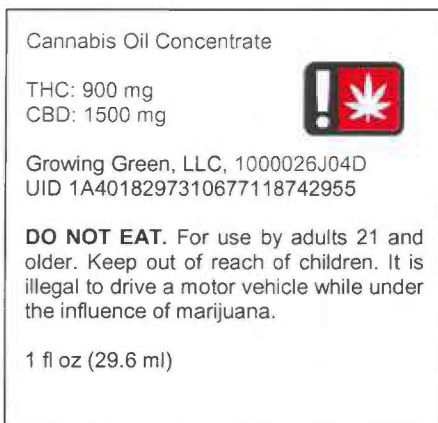
1. Contain any untruthful or misleading statements, including incorrectly using the term "organic" or making an unsubstantiated health claim;
2. Be attractive to minors, as defined in OAR 845-025-7000;
3. Specifically encourage the transportation of marijuana items across state lines;
4. Assert that marijuana items are safe because they are regulated by the Commission or because they have been tested by a certified laboratory or otherwise make claims that any government agency endorses or supports marijuana;
5. Make claims that recreational marijuana has curative or therapeutic effects;
6. Display consumption of marijuana items;
7. Contain material that encourages the use of marijuana because of its intoxicating effect;  
or
8. Contain material that encourages excessive or rapid consumption.

## Activation Time

Activation time is the amount of time it is likely to take for an individual to begin to feel the effects of ingesting or inhaling a marijuana item. Activation time may be expressed in words or through a pictogram. If a user will begin to feel the effects right away, the activation time can be listed as immediate. If the product has a delayed reaction, the licensee or registrant can determine what the activation time is for their particular product. To show activation time on a label, you may simply state, "Activation Time: 30 minutes" or you may use a pictogram (See example on right), as long as the pictogram is clear and easily understood.



Pictogram Example.



The above example of the information required on a small container concentrate label.

## Small Containers

Under OAR 333-007-0090(4), if the container holding the marijuana item is too small to fit all of the required label information, a licensee or registrant may put at least the following information on the small container label:

1. Principal display panel that includes the net weight, universal symbol, and product identity;
2. Licensee or registrant business or trade name and license or registrant number;
3. For licensees, package unique identification number and for registrants, batch or process lot number;
4. Concentration of THC and CBD; and
5. Required warnings.

Items numbered 1 through 4 must be in at least 6 point Arial, Helvetica, or Times New Roman font. **The required**

**warnings must be in at least 8 point Arial, Helvetica, or Times New Roman font.**

The remaining required information must be included on an outer package or container or on a leaflet or tag that accompanies the marijuana item. If an outer package is used, all of the information required by rule must be on the outer container, even if some of the information is already included on the inner container. In other words, if a small container is packaged inside a larger container, the outer container must have a full label. If a leaflet is used, the leaflet must be included with the small container and contain the rest of the required information that is not already listed on the small container label (for example: lab name, test date, serving size, etc.)



Small Container Label on Bottle (not to scale)

The small container will either need to come with a leaflet (not pictured) or be placed inside of a larger container that has a complete label.



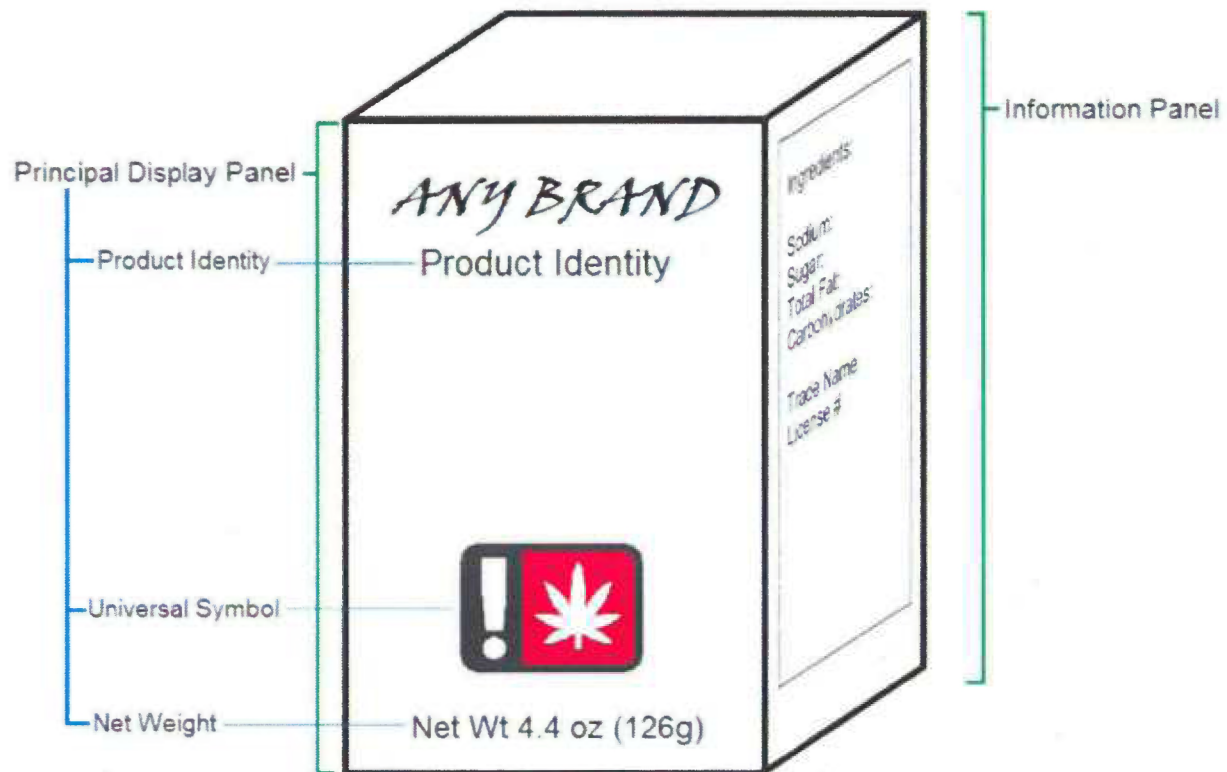
Full Label on Bag (not to scale)



## Elements of a Label

### Principal Display Panel

The principal display panel is defined as the part of a label on a package or container that is most likely to be displayed, presented, shown or seen under customary conditions of display for sale or transfer, generally the front of the package. For most marijuana items, three items must appear on the principal display panel: (1) the universal symbol; (2) the net weight or quantity; and (3) the product identity.



### Product Identity

The product identity is the common or usual name of the product. This is a descriptive name for the product and not a fanciful name or the brand name of the product. For example, on a package of Starburst®, the name “Starburst®” is the brand name of the candy, and the term “fruit chews” is the product identity. (See [Definitions](#) section for definitions of concentrate and extract.)

### Universal Symbol

The universal symbol was created by the Oregon Health Authority and may only be used on the label of a product that is going through the pre-approval process or has received approval from the OLCC. The universal symbol indicates that the product contains marijuana. The universal symbol must be on the principal display panel and must be at least 0.48 inches wide by 0.35 inches tall. The universal symbol must be red, black, and white and cannot be changed from how it appears in the example to the right.



Universal Symbol

The universal symbol is required on all labels (including product derived from industrial hemp). Additionally, licensees and registrants must receive OLCC approval for all labels prior to any

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sale to a consumer, patient, or caregiver. (See the Pre-Approval Process section for more information)

The universal symbol may be downloaded at [www.healthoregon.org/marijuana](http://www.healthoregon.org/marijuana).

### Net Weight

The net weight is the gross weight of the final product minus the weight of the packaging. Except on plant labels, the net weight should appear in the bottom 30% of the principal display panel and generally parallel to the base of the container. The area surrounding net quantity shall be free of printed information.

### Displaying Net Weight

For all marijuana items, except plants, net weight must be listed in both the US Customary Units and the International System of Units (SI Units). When both are required, use the following units:

US Customary	SI Units
Weight (dry) displayed in ounces	Weight (dry) displayed in grams or milligrams
Volume (liquid) displayed in fluid ounces	Volume (liquid) displayed in milliliters



The shaded green area is the bottom 30% of the principal display panel where the net weight should be displayed.

Net weight should be displayed as a number between 1 and 1000. When choosing a unit, use the following examples. If using a decimal, use no more than three decimal places.

Examples:

500 mg, not 0.5 g

1.96 g, not 1960 mg

750 mL, not 0.75 L

Net weight should not be expressed in mixed units.

Example:

1.5 g, not 1 g 500 mg

### Rounding

Use Table 1 on the right from the NIST Handbook 130 (2015) to help with rounding the net weight.

Table 1. Rounding Rules		
When The First Digit Dropped is:	The Last Digit Retained is:	Examples
less than 5	Unchanged	2.44 to 2.4 2.429 to 2.4
more than 5, or 5 followed by at least 1 digit other than 0	Increased by 1	2.46 to 2.5 2.451 to 2.5
5 followed by zeros	Unchanged if Even, or Increased by 1 if Odd	2.450 to 2.4 2.550 to 2.6

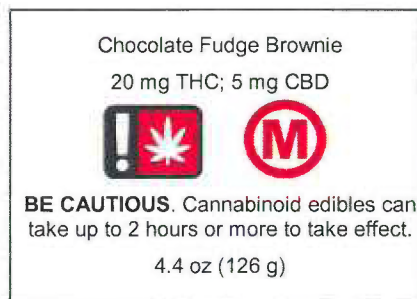


## Medical Grade Symbol

The medical grade symbol was established by the Oregon Health Authority and made available to OLCC licensees. The medical grade symbol is a symbol



Medical grade symbol



Example of a principal display panel showing how the medical grade symbol can be used.

that is **used only by OLCC licensees** that produce cannabinoid products, concentrates, or extracts that have a THC concentration that is above the recreational concentration limit. The medical grade symbol is used **only on products sold at OLCC licensed retail stores**. Products that contain a medical grade symbol can only be sold or transferred to a designated primary caregiver or patient, for use by a patient. Licensees who want to produce medical grade products must follow the requirements set out in OAR 845-025-3300, as well as the rest of the rules.

The medical grade symbol must appear on the principal display panel and be at least 0.35 inches in diameter.

### RECREATIONAL THC CONCENTRATION

Marijuana Item Type	Maximum THC per serving	Maximum THC per container
Edibles	5 mg	50 mg
Topicals	N/A	6%
Tinctures	N/A	1,000 mg
Capsules	10 mg	100 mg
Concentrates or Extracts	N/A	1,000 mg

### MEDICAL THC CONCENTRATION

Marijuana Item Type	Maximum THC per serving	Maximum THC per container
Edibles	N/A	100 mg
Topicals	N/A	6%
Tinctures	N/A	4,000 mg
Capsules	100 mg	4,000 mg
Suppositories	100 mg	4,000 mg
Transdermal Patches	100 mg	4,000 mg
Concentrates or Extracts	N/A	4,000 mg

\*\* To see the actual tables, see [Table 1](#) (OAR 333-007-0210) and [Table 2](#) (OAR 333-007-0220).

## Cartridge Labeling

Beginning on January 1, 2017, all cartridges containing a cannabinoid concentrate or extract or product intended for use with an inhalant delivery system must be labeled with the universal symbol. The universal symbol must be 0.48 inches wide by 0.35 inches tall.



## Additional Edible Labeling

For cannabinoid edibles, it is required that the following information be placed on the label:

1. List of all ingredients in descending order of predominance by weight or volume used to process the cannabinoid edible.

## Marijuana Packaging and Labeling Guide

2. *The amount, in grams, of sodium, sugar, carbohydrates and total fat per serving.* A licensee or registrant must have documentation that demonstrates the validity of the calculation of the amount of sodium, sugar, carbohydrates and total fat in a cannabinoid edible and must make that documentation available to the Commission or the Authority upon request.
3. *If the edible is perishable, a statement that the edible must be refrigerated or kept frozen.* If the edible is not perishable, no statement is needed.
4. *List of potential major food allergens.*

A licensee or registrant must list major food allergens on the label if the edible contains:

- Milk, egg, fish, crustacean shellfish, tree nuts, wheat, peanuts, or soybeans as an ingredient; or
- Any ingredient that contains protein derived from: milk, egg, fish, crustacean shellfish, tree nuts, wheat, peanuts, or soybeans.

Licensees and registrants must label major food allergens in one of two ways.

The first option is to include the name of the food source in parenthesis following the common or usual name of the major food allergen in the list of ingredients whenever the name of the food source of the major allergen does not appear elsewhere in the ingredient statement.

For example:

Ingredients: Enriched flour (**wheat** flour, malted barley, niacin, reduced iron, thiamin mononitrate, riboflavin, folic acid), sugar, partially hydrogenated **soybean** oil, and/or cottonseed oil, high fructose corn syrup, whey (**milk**), **pecans**, **eggs**, vanilla, natural and artificial flavoring) salt, leavening (sodium acid pyrophosphate, monocalcium phosphate), lecithin (**soy**), mono-and diglycerides (emulsifier)

In the example above, the major food allergens are in bold to highlight their location. However, the allergens do not need to be in bold on an edible label.

The second option is to use the word "Contains" followed by the name of the food source from which the major food allergen is derived, immediately after or adjacent to the list of ingredients, in a font size that is the same font size used for the list of ingredients.

For example, after the list of ingredients, the following statement would appear:

Contains Wheat, Milk, Pecans, Egg, and Soy

### Gluten-Free

Gluten is the protein that occurs naturally in wheat, rye, barley, and crossbreeds of these grains. Although certain grains may contain gluten, some grains can be made gluten-free. An ingredient that has been derived from a gluten-containing grain can be labeled as "gluten-free" if it has been processed to remove the gluten and use of that ingredient results in the presence of less than 20 parts per million (ppm) gluten in





## Marijuana Packaging and Labeling Guide

the food. The "gluten-free" claim is a voluntary one, however, licensees and registrants who decide to use this term are responsible for using the claim in a truthful and not misleading manner, and for complying with the requirements established by the U.S. Food and Drug Administration.

Gluten-free means that the food either is inherently gluten free or does not contain an ingredient that is: (1) a gluten-containing grain (e.g. Spelt wheat); (2) derived from a gluten-containing grain that has not been processed to remove gluten (e.g. Wheat flour); or (3) derived from a gluten-containing grain that has been processed to remove gluten (e.g. Wheat starch), if the use of that ingredient results in the presence of 20 parts per million (ppm) or more gluten in the food. Any presence of gluten in the food must be less than 20 ppm.

### Organic

Licensees and registrants that want to label their products as organic must follow strict requirements. First, if a licensee or registrant wants to make a claim that a product or its ingredients are organic, the product or certain ingredients need to be certified as organic. If it is not certified, the licensee or registrant cannot make any organic claim on the principal display panel or use the USDA organic seal anywhere on the package. Doing so will be considered misleading and could result in a denial of the label approval request. To learn more about organic certification, please contact the Oregon Department of Agriculture at 503.986.4550.



Example of consumer product using the "Made with Organic" statement.

### *"Made with organic \*\*\*\*" statement*

Licensees and registrants that want to label their products with the "Made with organic \*\*\*\*" statement must contain at least 70 percent certified organic ingredients (not including salt or water). These products may contain up to 30 percent of allowed non-organic ingredients. (See [National list of Allowed and Prohibited Substances](#)) All ingredients must be produced without GMOs or other prohibited substances. If a product meets these requirements, its label may include a statement such as "made with organic wheat" that lists the specific organic products. The generic statement, "made with organic ingredients" is not allowed. The organic ingredients also must be identified in the ingredient list. Additionally, the label must identify the USDA-accredited certifying agent on the information panel.

### *Specific Ingredient Listings*

If the product contains less than 70 percent organic contents, the specific organic ingredients may be listed in the ingredient statement. You may only, on the information panel, identify the certified organic ingredients as organic and the percentage of organic ingredients. Licensees and registrants cannot include the USDA organic seal anywhere or use the word "organic" on the principal display panel.

### Health Claims

Health claims describe a relationship between a food substance and a reduced risk of a disease or health-related condition. Health claims are regulated and evaluated by the U.S. Food and Drug Administration. OAR 333-007-0090 prohibits the use of a health claim that is not supported by the totality of publicly available scientific evidence (including evidence from well-designed studies

conducted in a manner which is consistent with generally recognized scientific procedures and principles), and for which there is significant scientific agreement, among experts qualified by scientific training and experience to evaluate such claims. A statement claiming cure, mitigation, or treatment of disease cannot be made. Any statement that makes such a claim would be considered a misleading statement and could lead to a denial of a label application.

### **Additional Labeling Requirements**

National Institute of Standards and Technology (NIST) Handbook 130 (2016)

The NIST Handbook has been incorporated by reference into the labeling rules. The NIST Handbook provides uniform packaging and labeling regulations. You can find the NIST Handbook here: <http://www.nist.gov/pml/wmd/pubs/upload/iva-pkgblgreg-16-h130-final.pdf>

### **Hemp**

Products derived from industrial hemp, as defined in ORS 571.300, may be sold in OLCC licensed retail locations if they are packaged, labeled, and tested in accordance with the OLCC rules. This means that hemp products must follow all of the package and label requirements including displaying the universal symbol on the principal display panel. The warning for a hemp label can be altered to say "For use by adults 21 and older. Keep out of reach of children." Additionally, the "BE CAUTIOUS" warning is also not required for edible products made from products derived from industrial hemp. The UID number and license number are not required on the label but the name of the business that manufactured the product is required.

Products derived from industrial hemp cannot be sold in medical dispensaries.

### **Additional Prohibitions**

In addition to the packaging and labeling rules, both the OHA and OLCC prohibit the sale or transfer of marijuana items that are likely to appeal to minors because of its shape, design, or flavor. This includes:

- Products that are modeled after non-cannabis products primarily consumed by and marketed to children;
- Products in the shape of an animal, vehicle, person or character;
- Products made by applying cannabinoid concentrates or extracts to commercially available candy or snack food items; or
- Products that contain dimethyl sulfoxide (DMSO).

Additionally, a processor may not treat or otherwise adulterate a medical or recreational cannabinoid product, concentrate, or extract with any additives that would increase potency, toxicity, or addictive potential, or that would create an unsafe combination with other psychoactive substances. The prohibited additives include, but are not limited to, nicotine, caffeine, or chemicals that increase carcinogenicity.

Cannabinoid products may be added to an item that has naturally occurring caffeine (such as coffee or chocolate) but cannabinoid products cannot be added to an item that contains artificial or added caffeine (such as a caffeinated soda or energy drink).



## PRE-APPROVAL PROCESS

Licensees and registrants who are packaging marijuana items for ultimate sale to a consumer, patient, or designated caregiver must have the packages and labels reviewed and approved by the OLCC. This applies to both medical and recreational products.

Licensees and registrants must apply for and receive approval from the OLCC before selling a marijuana item to a consumer.

Only licensees, registrants, and applicants can apply for pre-approval. Package or label approval will not be given until the applicant has an active OLCC license or is properly registered with the OHA. The initial application for the pre-approval process may be made online but the licensee or registrant may be required to submit a physical prototype, if requested by the OLCC.

### Before Applying

Determine what part of your application constitutes the package and what constitutes the label. A package is a container. It includes both inner and outer containers. If your marijuana item is packaged in a bag that is put inside of a box, both containers will be considered packages.

The label is any written, printed, or graphic matter affixed to, applied to, attached to, blown into, formed, molded into, embossed on, or appearing upon or adjacent to a package containing a marijuana item for purposes of branding, identifying, or giving any information with respect to the item or to the contents of the package.

### Application Checklist

An application for approval must include:

1. Completed online application
2. Correct fee
3. For packages, documentation that the package has been certified for child resistance by a qualified third-party package testing firm
4. Clear photograph of the package
5. Clear photographs of all label panels (this includes any text, pictures, graphics, or logos anywhere on the package)
6. Description of the marijuana item that will be sold in the package
7. Clear photograph of the marijuana item that will be sold in the package

Once you have submitted a complete application and paid the fee, the Commission will evaluate the packaging and label in order to determine whether:

#### The packaging:

1. Has been certified as child resistant by a qualified third party child-resistant package testing firm;
2. Is not marketed in a manner attractive to minors;
3. Does not contain any untruthful or misleading content;
4. Contains a marijuana item that is not compliant with the rest of the rules.



*Both items above are examples of packages.*

### **The label:**

1. Is in at least 8 point Times New Roman, Helvetica or Arial font (except for certain information on a small container label);
2. Is unobstructed and conspicuous, meaning that all required information must be visible on the outside of the package.
3. Has a principal display panel
4. Has a universal symbol that is the at least the minimum size;
5. Complies with the OHA's labeling rules, OAR 333-007-0010 to 333-007-0100.

The OLCC will review the submission materials and notify the licensee, applicant, or registrant whether or not the package and/or label have been approved. If the application was not approved, the OLCC will provide a description of all of the package and/or label deficiencies. The licensee, applicant, or registrant will have 30 days to correct the deficiencies and re-submit the materials. No additional fee is necessary for the first resubmission. If the OLCC evaluates the submission a second time and finds that the deficiencies have not been corrected, the application will be denied and the licensee, registrant, or applicant will have to submit a new application and pay an additional fee.



A licensee, registrant, or applicant may submit multiple variants of packaging and labeling for approval on the same application for a product that may have different flavors, colors, or sizes as long as the product and packaging are otherwise identical. Applications for approval of packaging and labeling are subject to a single application fee.

### **Fee**

The application fee for packaging and labeling pre-approval is **non-refundable**. It is the responsibility of the applicant to check the list of approved packages prior to applying to make sure that the package isn't already approved. Additionally, if an applicant submits payment and the applicant's license or registration gets denied, the packaging and labeling application fee will not be refunded.

The fee for a new application is \$100 for each package and \$100 for each label. If a licensee was submitting one package and one label for approval, the fee would be \$200. If a licensee or registrant wants to use a package that is on *the* approved list, that licensee or registrant would not need to submit a separate application.

### **Approved Packages**

The lists of the approved packages can be found on the Packaging and Labeling section of the OLCC website

### **Package / Label Consultations**

The OLCC will review packages and labels before they are submitted to the pre-approval process. Any licensee, registrant, or applicant that would like feedback can send questions or photographs of their package or label to [marijuana.packaging@oregon.gov](mailto:marijuana.packaging@oregon.gov) at any time. You will receive a response with feedback regarding whether you should make any changes to your package or label. Please note that the feedback you receive during a consultation is not approval, and you will need to apply through the OLCC pre-approval process when it becomes available.



### **Making Changes to Label after approved**

After receiving approval, a licensee or registrant may want to make changes to a package or label. If any of the following items are changed on the label, the label **does not** need to be resubmitted:

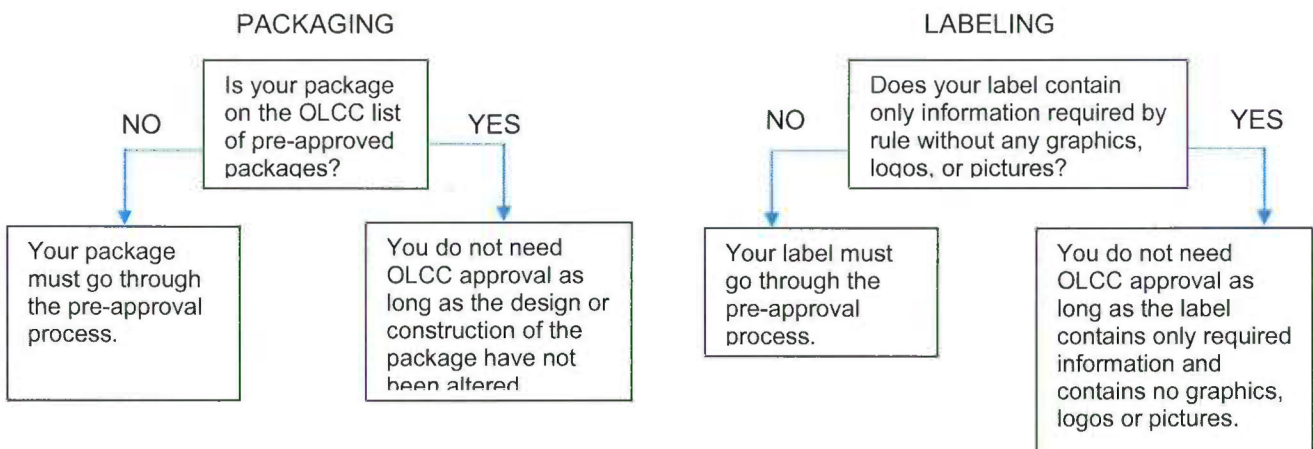
1. Harvest or processing date;
2. Strain name;
3. Test results;
4. Net weight or volume; or
5. Harvest or process lot number

If any non-mandatory label information is deleted or there is an addition, deletion, or change in the UPC or 2D mobile barcode, website address, phone number, fax number, or zip code of a licensee or registrant, the label **does not** need to be resubmitted. Additionally, if any of the label information is repositioned, the label **does not** need to be resubmitted as long as the repositioning is consistent with the labeling rules.

If any other change is made, a licensee or registrant must resubmit the label and / or package changes with a \$25 fee.

### **WHEN PACKAGE OR LABEL APPROVAL IS REQUIRED**

To determine whether you need to apply for approval, ask yourself the following questions:



### **STILL HAVE QUESTIONS?**

If you have more questions regarding packaging and labeling, please visit the OLCC website: [marijuana.oregon.gov](http://marijuana.oregon.gov). You can also send an email to [marijuana.packaging@oregon.gov](mailto:marijuana.packaging@oregon.gov) or call (503) 872-5459.

## DEFINITIONS

**"Activation time"** means the amount of time it is likely to take for an individual to begin to feel the effects of ingesting or inhaling a marijuana item.

**"Attractive to minors"** means packaging, labeling and marketing that features:

- (1) Cartoons;
- (2) A design, brand or name that resembles a non-cannabis consumer product of the type that is typically marketed to minors;
- (3) Features symbols or celebrities that are commonly used to market products to minors.

**"Cannabinoid"** means any of the chemical compounds that are the active constituents of marijuana.

**"Cannabinoid concentrate"** means a substance obtained by separating cannabinoids from marijuana by:

- (1) A mechanical extraction process;
- (2) A chemical extraction process using a nonhydrocarbon-based solvent, such as vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;
- (3) A chemical extraction process using the solvent carbon dioxide, provided that the process does not involve the use of high heat or pressure, or
- (4) Any other process authorized by the OHA or OLCC rules.

**"Cannabinoid edible"** means food or potable liquid into which a cannabinoid concentrate or extract or the dried leaves or flowers of marijuana have been incorporated.

**"Cannabinoid extract"** means a substance obtained by separating cannabinoids from marijuana by:

- (1) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane or propane; or
- (2) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, if the process uses high heat or pressure.

**"Cannabinoid product"** means a cannabinoid edible or any other product intended for human consumption or use, including a product intended to be applied to a person's skin or hair that contains cannabinoids or the dried leaves or flowers of marijuana.

"Cannabinoid product" does not include:

- (1) Usable marijuana by itself;
- (2) A cannabinoid concentrate or extract by itself; or
- (3) Industrial hemp, as defined in ORS 571.300.



**"Cannabinoid tincture"** means a solution of alcohol, cannabinoid concentrate or extract, and perhaps other ingredients intended for human consumption or ingestion, and that is exempt from the Liquor Control Act under ORS 471.035.

**"Cannabinoid topical"** means a cannabinoid product intended to be applied to skin or hair.

**"Cartoon"** means any drawing or other depiction of an object, person, animal, creature or any similar caricature that satisfies any of the following criteria:

- (1) The use of comically exaggerated features;
- (2) The attribution of human characteristics to animals, plants or other objects, or the similar use of anthropomorphic technique; or
- (3) 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.

**"CBD"** means cannabidiol.

**"Child resistant"** means designed or constructed to be significantly difficult for children under five years of age to open and not difficult for adults to use properly.

**"Consumer":**

- (1) means a person who purchases, acquires, owns, holds or uses marijuana items other than for the purpose of resale; or
- (2) Means a patient or designated primary caregiver receiving a transfer from a medical marijuana dispensary.

**"Commission"** means the Oregon Liquor Control Commission.

**"Container"** means a sealed, hard or soft-bodied receptacle in which a marijuana item is placed prior to being sold to a consumer.

**"Date of harvest"** means the date the mature marijuana plants in a harvest lot were removed from the soil or other growing media. If the harvest occurred on more than one day, the "date of harvest" is the day the last mature marijuana plant in the harvest lot was removed from the soil or other growing media.

**"Exit Package"** means a sealed container provided at the retail point of sale in which any marijuana items already within a container are placed.

**"Generic Label"** means a label that contains only the required information listed in the rules and has no graphics, pictures, or logos.

**"Harvest lot"** means marijuana that is uniform in strain, cultivated utilizing the same growing practices and harvested at the same time.

**"Human consumption"** means to ingest, generally through the mouth, food, drink or other substances such that the substance enters the human body but does not include inhalation.

**"Licensee"** means any person who holds a license issued under ORS 475B.070 (Production license), 475B.090 (Processor license), 475B.100 (Wholesale license), 475B.110 (Retail license), or 475B.560 (Laboratory license).

**"Major food allergen"** means an ingredient that is one of the five foods listed in subsections (1) to (5) of this section, or from one of the three food groups listed in subsections (6) to (8) of this section, or is an ingredient that contains protein derived from one of the following:

- (1) Milk;
- (2) Egg;
- (3) Fish;
- (4) Crustacean shellfish;
- (5) Tree nuts;
- (6) Wheat;
- (7) Peanuts; and
- (8) Soybeans.

**"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 industrial hemp, as defined in ORS 571.300.

**"Marijuana item"** means marijuana, usable marijuana, a cannabinoid product or a cannabinoid concentrate or extract.

**"Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid extract"** means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a concentration of THC that is permitted under ORS 475B.625 in a single serving of the cannabinoid product, cannabinoid concentrate or cannabinoid extract for a patient.

**"Medical grade symbol"** means the image established by the Authority and made available to licensees indicating the cannabinoid product, concentrate or extract may only be sold or transferred to a designated primary caregiver or patient, for use only by a patient.

**"Medical marijuana dispensary"** means a facility registered under ORS 475B.450.

**"Net weight"** means the gross weight minus the tare weight of the packaging.

**"Package unique identification number"** mean the unique identification number that was generated by the Commission's seed to sale tracking system at the time the marijuana item was packaged and labeled for sale to the consumer, patient, or designated primary caregiver.



**"Place of address"** means the name, mailing address, city, state and zip code of the processor who made the cannabinoid edible.

**"Principal display panel"** means the part of a label on a package or container that is most likely to be displayed, presented, shown or seen under customary conditions of display for sale or transfer.

**"Processing"** means the compounding or conversion of marijuana into cannabinoid products or cannabinoid concentrates or extracts.

**"Process lot"** means:

- (1) 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
- (2) 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.

**"Producing"** means:

- (1) Planting, cultivating, growing, trimming or harvesting marijuana; or
- (2) Drying marijuana leaves and flowers.

**"Product identity"** means a truthful or common name of the product that is contained in the package.

**"Registrant"** means a person registered with the Authority under ORS 475B.420, 475B.435, or ORS 475B.450.

**"THC"** means tetrahydrocannabinol and has the same meaning as delta-9 THC.

**"Unique identification number"** or **"UID"** means the tracking number provided by Metrc.

**"Universal symbol"** means the image, established by the Authority and made available to licensees and registrants, indicating the marijuana item contains marijuana.

**"Usable marijuana"** means the dried leaves and flowers of marijuana. "Usable marijuana" does not include:

- (1) The seeds, stalks and roots of marijuana; or
- (2) Waste material that is a by-product of producing or processing marijuana.

## ATTRIBUTION

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<sup>i i</sup> Cartoon Penguin Clip Art by Vladimir Zuñiga available at [www.foca.tk](http://www.foca.tk) under a Creative Commons Attribution 3.0 license, <https://creativecommons.org/licenses/by/3.0/us/>. No changes were made.

<sup>ii</sup> PFalcon72 by Storn available at <http://story-games.com/forums/discussion/4631/game-art-art-from-and-for-games/p4> under a Creative Commons Attribution-NonCommercial-ShareAlike 2.5 License, <http://creativecommons.org/licenses/by-nc-sa/2.5/>. No changes were made.





# **Business Readiness Guidebook**

## **for OLCC Marijuana Operations**



## Overview

This document is intended for establishing OLCC licensed marijuana businesses. Businesses that follow the guidance in this book will be better prepared to establish legal operations in Oregon and comply with state and local laws. This guidebook provides information outside of the OLCC rules and regulations for licensed facilities. Please visit [www.marijuana.oregon.gov](http://www.marijuana.oregon.gov) for a copy of those rules.

**Please note:** The Oregon Medical Marijuana Program (OMMP) and the Medical Marijuana Dispensary Program are both administered by the Oregon Health Authority's Public Health Division.

**Reach out to the OHA directly with your questions:**

OMMP (questions related to patients, growers or caregivers): 971-673-1234

Dispensary Program (questions regarding dispensaries): 855-244-9580

## Who We Are

The content\* of this guidebook was provided by the following Oregon agencies:

Office of the Governor

Oregon Health Authority

Oregon Department of  
Agriculture

Bureau of Labor and  
Industries

Business Oregon

Department of  
Environmental Quality

Department of Consumer  
and Business Services

Oregon State Parks

Department of State Lands

Department of Land  
Conservation and  
Development

Oregon Secretary of State

Oregon Liquor Control  
Commission

Oregon Department of  
Energy

Oregon Water Resources  
Department

Oregon Employment  
Department

Energy Trust of Oregon

Oregon Department of  
Revenue

Oregon Department of  
Forestry

Department of Public Safety  
Standards and Training

\* As the OLCC marijuana program evolves the content and contributors will be updated. It is the responsibility of potential licensees to stay abreast and comply with all laws related to their business.

Special thanks to the IRAC Recreational Marijuana Regulations workgroup who created a similar document applicable to Washington state entities.

Their document can be found at <https://apps.lhwmp.org/IRAC/Publications.aspx>.



# Agency Contact Information

Navigating through the regulatory framework can be complicated. Although government agencies are unable to give legal advice on business decisions, you may contact agencies directly to receive further clarification on a specific section or topic:

Office of the Governor: <http://www.oregon.gov/gov/pages/index.aspx>  
Oregon Health Authority: <http://www.oregon.gov/OHA/Pages/index.aspx>  
Oregon Department of Agriculture: <http://www.oregon.gov/oda/Pages/default.aspx>  
Bureau of Labor and Industries: <http://www.oregon.gov/BOLI/Pages/index.aspx>  
Business Oregon: <http://www.oregon4biz.com/>  
Department of Environmental Quality: <http://www.oregon.gov/deq/pages/index.aspx>  
Department of Consumer and Business Services: <http://www.oregon.gov/dcbs/pages/index.aspx>  
Oregon State Parks: <http://www.oregon.gov/OPRD/>  
Department of State Lands: <http://www.oregon.gov/dsl/pages/index.aspx>  
Department of Land Conservation and Development: <http://www.oregon.gov/lcd/Pages/index.aspx>  
Oregon Secretary of State: <http://sos.oregon.gov/Pages/index.aspx>  
Oregon Liquor Control Commission: <http://www.oregon.gov/olcc/pages/index.aspx>  
Oregon Department of Energy: <http://www.oregon.gov/ENERGY/Pages/index.aspx>  
Oregon Water Resources Department: <http://www.oregon.gov/OWRD/pages/index.aspx>  
Oregon Employment Department: <http://www.oregon.gov/employ/pages/default.aspx>  
Energy Trust of Oregon: <http://energytrust.org/>  
Oregon Department of Revenue: <http://www.oregon.gov/dor/pages/index.aspx>  
Oregon Department of Forestry: <http://www.oregon.gov/ODF/Pages/index.aspx>  
Oregon Healthcare: <http://www.oregonhealthcare.gov/>  
Oregon Occupational Safety and Health Administration: <http://www.orosha.org/>  
Oregon Building Codes Division: <http://www.cbs.state.or.us/external/bcd/>  
Department of Public Safety and Training: [www.oregon.gov/DPSST/PS](http://www.oregon.gov/DPSST/PS)

## Visit the Below Websites to find Local Government Contacts:

Cities: <http://www.oregon4biz.com/Resources/Cities/>  
Chambers of Commerce: <http://www.oregon4biz.com/Resources/Chambers/>  
Counties: <http://www.oregon4biz.com/Resources/Counties/>  
Ports: <http://www.oregon4biz.com/Resources/Ports/>  
Tribes: <http://www.oregon4biz.com/Resources/Tribes/>  
Community Development Organizations: <http://www.oregon4biz.com/Resources/Community-Development/>

## Additional Resources:

League of Oregon Cities: <http://www.orcities.org/>  
Association of Oregon Counties: <http://www.aocweb.org/aoc/default.aspx>

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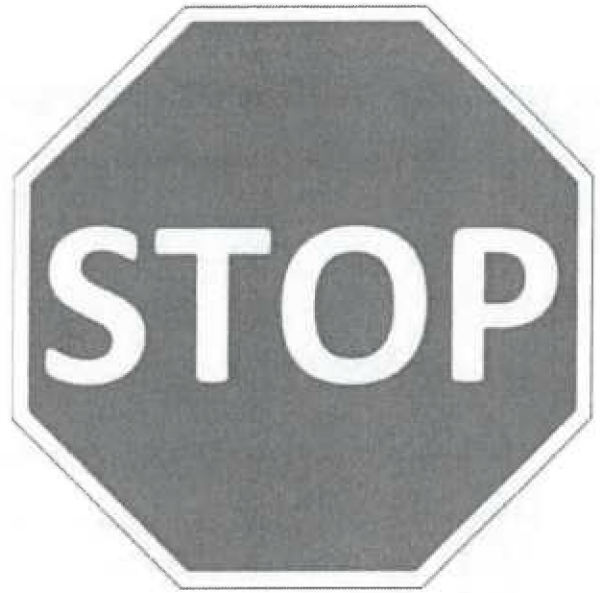
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## **Eligibility Reminder**

**Is your city or county  
located on the OLCC  
Opt-Out list?**

**If so, you may not be eligible  
for a license.**



Oregon law grants cities and counties the opportunity to prohibit marijuana producers, processors, wholesalers, and/or retailers in their jurisdiction.

Local governments are required to refer ordinances banning recreational marijuana to voters at the next general election.\*

For the complete opt-out list visit: [http://www.oregon.gov/olcc/marijuana/Documents/Cities\\_Counties\\_RMJOptOut.pdf](http://www.oregon.gov/olcc/marijuana/Documents/Cities_Counties_RMJOptOut.pdf)

*\*Prior to December 27, 2015, cities and counties could implement local bans without placing the ordinance on the next general election if 55 percent or more of the voters in their jurisdiction voted against Measure 91. However the ordinance must have been adopted by December 27, 2015.*

*Interested in seeing how your county voted on Measure 91? See the results from the Oregon Secretary of State website at <http://sos.oregon.gov/elections/Documents/results/results-2014-general-election.pdf>*

**Potential licensees should ensure they are compliant with all other local regulations, including but not limited to obtaining proper permits associated with operating their business. It is advised to begin working with your local governing bodies prior to submitting your OLCC application.**

# SECTION 1

## Know Your Business License Types

### OLCC Licenses

#### Producer:

Ability to plant, cultivate, grow, harvest, and dry marijuana.

#### Processor:

Ability to process, compound, or convert marijuana into cannabinoid products, concentrates, and/or extracts.

#### Wholesale:

Can purchase quantities of marijuana from other licensed facilities and sell the products to licensed retailers, processors, producers, other wholesalers, or research certificate holders.

#### Laboratory:

Accredited by ORELAP and responsible for testing marijuana items for pesticides, solvents or residual solvents, tetrahydrocannabinol and cannabidiol concentration, and for microbiological or other contaminants.

#### Retail:

Can sell or deliver marijuana items directly to consumers.

#### Research Certificate:

Ability to research marijuana for the purpose of benefiting the state's cannabis industry, medical research, or public health and safety.

### Application Submittal Overview

Applications are available online at [www.marijuana.oregon.gov](http://www.marijuana.oregon.gov).

Be prepared to present the following items in your application:

- |   |  |
|---|--|
|  Business details: company name, physical and mailing address, Secretary of State Number |  Business Operating plan  |
|  Funding sources: interested parties and legal entities                                  |  Floor plan of proposed facility  |
|  Land Use Compatibility Statement (LUCS)   |  Proof of right to occupy the premises  |
|   |  Other documentation depending on license type. See OLCC rules available at <a href="http://www.marijuana.oregon.gov">www.marijuana.oregon.gov</a> for more info. |

Applicants must pay a \$250 non-refundable application fee at the time of application or renewal; however, the license fee is not due until approval.



Photos from top to bottom: Photo by The Oregon Real Business Center; Photo by Oregon Department of Agriculture; Photo by Oregon Department of Agriculture; Photo by Oregon Department of Agriculture; Photo by Oregon Department of Agriculture.



# SECTION 2

## Beginning Your Business

### Developing a Business Plan

Oregon is a place where entrepreneurs are building diverse industries. Business Oregon networks with many organizations to help entrepreneurs find resources and access services helpful to starting a business in Oregon.

#### Step 1 - Research and Planning:

Your first step in starting a business in Oregon begins with researching and preparing a business plan. Contact Oregon's professional associations and guilds if you need assistance.

Professional service organizations can help navigate the registration process, create a business plan, and assist with other tasks related to start-ups.

#### Step 2 – Setup:

Business registration, business tax numbers, insurance, permits & licensing, hiring, and employer obligations. Find information, checklists, and forms for every step at the Business Portal at <http://www.oregon.gov/business/Pages/toolkit.aspx>.


#### Step 3 - Find Financing:

At this time, Business Oregon is not able to provide financial services to businesses engaged in the possession, manufacture, or sale of marijuana.

Oregon and out-of-state residents may invest in marijuana businesses. For more information review OLCC rules for "financial interest" and applicant qualifications at [www.marijuana.oregon.gov](http://www.marijuana.oregon.gov).

#### Step 4 - Grow Your Business:

Are you ready to take your business to the next level? Participate in the Grow Oregon program at <http://www.oregon4biz.com/How-We-Can-Help/Grow-Oregon/> to experience sustained growth.

Visit Business Oregon's "How  We Can Help" webpage at <http://www.oregon4biz.com/How-We-Can-Help/> for a full description of programs and services offered.

# SECTION 2

## Secretary of State Business Number

All businesses in the State of Oregon are required to register with the Secretary of State to obtain a business number. This number will be requested on the OLCC marijuana application.

For more information on how to obtain a Secretary of State Business number visit the Secretary of State website at <http://sos.oregon.gov/Pages/index.aspx>.



**Not sure where to begin?** The Secretary of State's Business Xpress website has detailed information on how to get your business up and running. Visit <http://www.oregon.gov/business/Pages/index.aspx>.

## Employment Law

Oregon's Bureau of Labor and Industries (BOLI) works to protect employment rights. All businesses in the State of Oregon must comply with BOLI's regulations. Do your research early and familiarize yourself with BOLI laws to safeguard yourself and your employees.

**Employment Law handbooks:** Bureau of Labor and Industries' (BOLI) affordable handbooks for employers can be an invaluable resource on topics such as Wage and Hour Laws, Civil Right Protections, Leave Laws, Legal Hiring Practices, and Discipline and Discharge.

**Employment Law Hotline:** Compliance experts can field questions about a wage and civil rights issues at no cost at 971-673-0824. All calls are confidential.

**Employment and compliance seminars:** How should businesses deal with difficult employees? What do start-ups need to know about wage and hour laws? What's the latest on paid sick time and other leave laws? How should HR professionals identify and address harassment and other civil rights issues? BOLI offers more than 100 low-cost seminars each year focused on what your business needs to know. Visit: [http://www.oregon.gov/boli/ta/pages/t\\_seminar.aspx](http://www.oregon.gov/boli/ta/pages/t_seminar.aspx) for more information.

Employers can order employer handbooks, download free compliance posters, or order low-cost bilingual composites at:  
[http://www.oregon.gov/boli/TA/pages/t\\_tabooks.aspx](http://www.oregon.gov/boli/TA/pages/t_tabooks.aspx).

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*Stay up to speed on marijuana consumption laws by visiting <http://whatslegaloregon.com> and make sure your employees do the same.*

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# SECTION 2

## Land Use Planning & Zoning Compliance

Depending on license type, different zoning restrictions may apply, however no OLCC marijuana licensed facility...

- ☐ May be on federal property.
- ☐ May be at the same physical location or address as a liquor licensee licensed under ORS Chapter 471 or as a retail liquor agent appointed by the Commission.
- ☐ May be at the same physical location or address as a medical marijuana processing site registered with the OHA.
- ☐ May be at the same physical location or address as a medical marijuana dispensary registered with the OHA.
- ☐ With the exception of the producer license, may be in an area that is zoned exclusively for residential use.

### If you are a producer:

- ☐ You may not be located at the same physical location or address as a medical marijuana grow site registered with the OHA, unless the grow site is also licensed under ORS 475B.080.
- ☐ May not be located on public land.

### If you are a retailer:

- ☐ Except as provided in Oregon Laws 2016, chapter 83, section 29b, the proposed licensed premises of a retail applicant may not be located within 1,000 feet of:
  - A public elementary or secondary school for which attendance is compulsory under ORS 339.020; or
  - A private or parochial elementary or secondary school, teaching children as described in ORS 339.030.

Visit the Oregon Legislature website to review complete statutes (ORS) at <https://www.oregonlegislature.gov/>.



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*All licensed premises are to be located in Oregon. Importing or exporting marijuana items into or from the state is a local and federal offense.*

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**Cities and counties have the ability to adopt ordinances imposing reasonable regulations on the operation of businesses located within their jurisdiction. Be sure to contact your local government to ensure you are in compliance with their local laws.**

# SECTION 2

Consistency with local land use planning and zoning is probably the first consideration that potential applicants should investigate.

Prior to acting on an application the OLCC:

Must receive a land use compatibility statement (LUCS) from the city or county that authorizes land use in the city or county in which the applicant's proposed premises is located.\*

OLCC's land use compatibility form is available at [www.marijuana.oregon.gov](http://www.marijuana.oregon.gov). Work with your local government directly to ensure all information is correct prior to submission.

*\*A LUCS is not required for those that meet all qualifications as indicated in 845-025-1090, (3) of OLCC rule.*

The best way to ensure compatibility with local comprehensive planning and zoning is to contact your local planning department before you apply for a license, or if you are considering the purchase of land, before you make that purchase.

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*Marijuana facilities may be allowed in certain zones, and may not be allowed in other zones. This may differ from city to county and from one local jurisdiction to another.*

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*Except for counties that adopt local ordinances prohibiting marijuana operations, the production of marijuana may be licensed by the OLCC in any EFU zone.*

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**What about Exclusive Farm Use (EFU) Zones?** ORS 475B.370 states that marijuana is a crop for the purposes of farm use, defined in ORS 215.203, and is permitted in Exclusive Farm Use (EFU) zones.

Farm use includes both the preparation of the farm product, such as drying, packaging or labeling, and wholesaling of the unprocessed farm product.

However, a variety of other uses that may be proposed in conjunction with farm use require local land use approvals, and some of these uses are specifically prohibited by HB 3400 if in conjunction with a marijuana crop.



# SECTION 2

The following table identifies all of the farm-related uses that are allowed under state law in EFU zones when in conjunction with a marijuana crop:

County Zones That Allow Marijuana-related Uses under State Law			
Use/Zones	EFU Zone	Forest or Mixed Farm/Forest Zone	Other Zones
Production	Farm Use Agricultural Building On-farm preparation (i.e. drying, bulk/wholesale packaging)	County discretion in local zoning	County discretion in local zoning
Processing	On-farm Processing		
Wholesaling	Farm Use		
Retailing	NA	NA	

Counties have the discretion whether or not to allow marijuana-related uses in zones other than EFU, however, these standards must be adopted into local zoning codes.

Marijuana-related uses that are specifically prohibited in EFU zones by ORS 475B include:

- ☐ Farm stands
- ☐ Commercial activities in conjunction with a marijuana crop
- ☐ New dwellings
  - New dwellings not allowed if used in conjunction with a marijuana crop include primary farm dwellings, accessory farm dwellings, and relative farm help dwellings.

Agricultural buildings (ORS 215.213(1)(e) or 215.283(1)(e)) and on-farm, smaller-scale processing (ORS 215.213(1)(u), or 215.283(1)(r)) in EFU zones require local land use approvals.

Virtually all authorized retail sales opportunities will be in non-resource zones. Marijuana production in non-resource zones, especially in cities, may be required by local governments to be within buildings in industrial zones.

**The most direct path for any license type is to first gain local land use approval for the proposed land use:**

- ☐ If the local planning office indicates on the LUCS form that the proposed use has been approved or is allowed in the applicable zone, then the application may move forward.
- ☐ If the local planning office indicates the proposed use has been denied or is not allowed in the applicable zone, then the license will not be issued.



*LUCS approval does not bypass additional documentation that may be required by the local planning office. Verify all other permits have been acquired with the local planning office for the proposed land.*

# SECTION 2

## Local Codes: Building codes & working with contractors

Cities and counties may require registration or licensing for individuals and firms conducting business within their jurisdiction.

[VIOLATION]

It is recommended to begin a relationship with your local government prior to applying for a license. Consult your local county and city officials to learn about the requirements in your area.

### Building Codes

**Obtain all required building permits:** Whether for new construction or remodeling of existing buildings, local governments administer Oregon building codes and issue permits. Building code requirements are determined by the structure's "primary use" which may include production/growing, processing, storage, or sale of marijuana. Check with your local building department to determine any required permits for a marijuana operation.

**Here are a few examples (not all inclusive) of when permits may be required:**

- Installing new equipment
- Moving or adding walls
- Adding counter or display cases
- Removing building improvements
- Remodeling various spaces
- Modifying electrical, plumbing, mechanical, fire alarms, fire sprinklers, heating, ventilation, air conditioning, and other systems
- Installing new signage or parking facilities





# SECTION 2

## Working with Contractors

**Work with licensed contractors:** If you hire a contractor to perform construction work, ensure that the individual or business holds an active license to work in Oregon.

The Building Codes Division issues licenses to four types of trade contractors: electrical, elevator, plumbing, and boiler.

Every trade contractor, must also possess an active building contractor license issued by the Construction Contractors Board (CCB).

Check the status of both licenses by visiting the CCB website at [www.ccb.oregon.gov](http://www.ccb.oregon.gov) or the BCD website at [www.bcd.oregon.gov](http://www.bcd.oregon.gov).

**Obtain all required inspections:** During construction, work with your contractor and local building official to identify and schedule any required inspections.

Depending on the project, multiple inspections may be necessary. Obtaining all required inspections before you occupy the structure will assure you that the work is meeting the safety requirements established in the building code.

When the work is up to code, the inspector will approve it and the local building department will issue a Certificate of Occupancy.

**Maintain relationships with local officials:** The local fire marshal or chief is the authority on meeting building and fire code requirements once you occupy the building.

Establish a positive working relationship with both local building officials and the fire department by ensuring they are aware of the marijuana business or operation, and apprise them of any alterations to the building after the business begins operations.

*The above section was provided by the Oregon Building Codes Division, a division of the Department of Consumer and Business Services.*

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*Be sure to keep  
copies of all permits  
and inspections for  
your records.*

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# SECTION 3

## Safety First

### Workplace Safety & Health

*The section below was provided by Oregon OSHA, a division of the Department of Consumer and Business Services.*

The Oregon Safe Employment Act requires employers to provide their workers with a safe and healthful workplace. Requirements include: training employees and taking steps to prevent any injury or illness to employees during their day-to-day activities (e.g., using ventilation to minimize flammable atmospheres and providing personal protective equipment for use during pesticide handling).

Most employers must follow a basic set of rules. Other regulations may apply based on specific business hazards.

Businesses that grow marijuana are mainly subject to Division 4, which applies to most agricultural employers.

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Find detailed OSHA regulations here:  
[http://www.oregoshare.org/toolkit/our\\_rules.htm](http://www.oregoshare.org/toolkit/our_rules.htm)

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#### Some potential hazards to look for during growing:

- ☐ Pesticide exposure
- ☐ Chemical and fertilizer use
- ☐ Heat exposure
- ☐ Air enrichment contaminants such as carbon dioxide and others like carbon monoxide, and nitrogen oxides if using burners/combustion
- ☐ Electrical hazards from improper wiring
- ☐ Sprains and strains (esp. hand intensive work during trimming)
- ☐ Mold
- ☐ Slips, trips, and falls (from presence of water or poor housekeeping)
- ☐ Exposure to machine hazards (cuts, nips, pinches, or crushes depending on equipment)
- ☐ Material handling equipment (e.g. forklifts)

Processors that perform extractions are responsible for providing safety data sheets (formerly known as material safety data sheets) for the chemical extract that they produce (Oregon OSHA Rules Division 2, Subdivision Z).


















# SECTION 3

Some potential hazards to look for during processing:




## Extraction

-  Use of flammable compressed gases and solvents:
  - Fire
  - Compressed gas cylinder and extraction equipment safety
-  Air contaminant hazards (e.g. carbon dioxide if dry ice used to extract)
-  Chemical and extract products handling
-  Machine hazards associated with extraction and waste processing equipment
-  Noise (e.g. compressors for carbon dioxide extraction equipment)




## Kitchen

-  Fire
-  Burns and scalds (from work with ovens/stoves)
-  Slips, trips, and falls (from presence of water or poor housekeeping)
-  Heat exposure
-  Cuts from knives
-  Machine hazards (e.g. cuts and amputations) from food processing equipment
-  Chemical use (e.g. sanitizers like bleach)
-  Sprains and strains (from material handling)

## Packaging and Labeling Hazards

-  Sprains and strains (from material handling, repetitive work)
-  Machine hazards
-  Material handling equipment (e.g. pallet jacks)

Some potential hazards to look for at retail stores:

-  Sprains and strains (from material handling)
-  Slips, trips, and falls (from poor housekeeping)
-  Workplace violence/crime



Oregon OSHA has some overlap with areas covered by Oregon Department of Agriculture and the local Fire Marshal. The role that Oregon OSHA plays in regard to pesticides is enforcement of protecting worker health and safety, with a particular focus on the pesticide worker protection standard (Oregon OSHA Rules Division 4, Subdivision W). Oregon OSHA also addresses fire safety, but will defer to the decisions of the local Fire Marshal if a question arises where both agencies have codes that address the same hazard. **Refer to Section 4 for more information regarding pesticides.**

# SECTION 3

## Oregon OSHA Contacts

### Technical Experts:

Phone: 503-378-3272 (V/TTY) or 800-922-2689  
[tech.web@oregon.gov](mailto:tech.web@oregon.gov)

### Worksite Consultations and Evaluations:

Phone: 503-378-3272 (V/TTY) or 800-922-2689  
[consult.web@oregon.gov](mailto:consult.web@oregon.gov)



**Find More Information:** [www.orosha.org](http://www.orosha.org)

## Workers' Compensation Insurance

*Section provided by the Office of the Small Business Ombudsman for Workers' Compensation, a program of the Department of Consumer and Business Services.*

Workers' compensation insurance provides benefits to workers who are injured on the job. Injured workers receive medical treatment and disability benefits if they are off the job due to their injury. The insurance also provides employers important legal protections.

**If you employ workers, you must buy a workers' compensation insurance policy or be authorized to self-insure by the Department of Consumer and Business Services (DCBS).**

If you are a business that has employees and you do not have workers' compensation insurance, you may be subject to civil penalties. Worse yet, if an employee gets hurt on the job, your business will be responsible for all claims costs plus administration fees. The costs add up and can severely affect your business.

Because the OLCC marijuana program is a new in Oregon, there may not be many companies offering workers' compensation coverage in the commercial market. However, if you are denied coverage one time, you can apply to the Oregon Workers' Compensation Insurance Plan or commonly known as the assigned risk plan.

You can apply directly to the assigned risk plan by calling the National Council on Compensation Insurance at 800-622-4123 (toll-free) or you can work with your insurance agent. For more information, visit the Small Business Ombudsman for Workers' Compensation website: <http://www.oregon.gov/DCBS/SBO/Pages/get-coverage.aspx>

Small Business Ombudsman for  Workers' Compensation Contact Info

**Email:** [wc.advocate@oregon.gov](mailto:wc.advocate@oregon.gov) or **Call:** 503-378-4209

### Websites:

<http://www.oregon.gov/DCBS/SBO/Pages/sbo.aspx>  
<http://www.cbs.state.or.us/external/wcd/communications/publications/2852.pdf>



# SECTION 4

## Operating Your Business

### Oregon's Recreational Marijuana Tax

The retail tax on recreational marijuana sold in OLCC licensed retailers will be between 17-20%. There is no set date for when this tax goes into effect. It's based on when the retailer's license becomes active.

The state tax rate is 17%; however, cities and counties can adopt an ordinance imposing an additional tax of up to 3%. These ordinances must be put on the ballot for the next general election.

### Filing a return

Marijuana tax returns are due quarterly. A separate return is required for each location selling recreational marijuana products. Your 2016 quarterly returns were due on October 31, 2016 and on January 31, 2017. **Your monthly payment vouchers do not replace your quarterly return.**

***You must file a return even if there were not any taxable sales in the reporting period.***

If you sold recreational marijuana as a medical marijuana dispensary under early start, you may need to file two returns. For example:

- ☐ If your final day of sales as a medical marijuana dispensary was September 30, 2016 and your Oregon Liquor Control Commission (OLCC) license took effect on October 1, 2016, you should file your first retail tax return for fourth quarter on Revenue Online.
- ☐ If your final day of sales as a medical marijuana dispensary was December 31, 2016, and your OLCC license took effect on January 1, 2017, you should file your first retail tax return for first quarter 2017 on Revenue Online.



# SECTION 4

For all businesses transitioning from being OHA registered medical dispensary to an OLCC licensed retailer, you'll be required to file two returns for the fourth quarter:

1. One on paper for the 25-percent tax rate, **and**
2. One on Revenue Online for the 17-percent rate.

You'll want to keep detailed sales records to know when your tax rate changed.

## **Business identification number (BIN)**

Your BIN is a unique identification number issued by the Department of Revenue. This is not your Social Security number or federal employer identification number (FEIN). Your return will be rejected if you don't enter the correct BIN.

You must have a separate BIN and file separate returns for each location where recreational products are sold.

## **Submit your return**

**OLCC Licensed Retailers:** Can only submit your return electronically through Revenue Online at [www.oregon.gov/dor](http://www.oregon.gov/dor).

**OHA Medical Dispensaries:** Can only submit your return on paper. Mail your completed return to:

Oregon Department of Revenue  
PO Box 14630  
Salem OR 97309-5050

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*For more information contact  
the Department of Revenue at  
503-947-2597 or at  
[marijuanatax.dor@oregon.gov](mailto:marijuanatax.dor@oregon.gov)*

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## **Late filing and payment**

Penalty and interest are imposed if you mail your return or pay the tax after the due date. The penalty is 5 percent of the unpaid tax. If you file your return more than 30 days after the due date, DOR will impose an additional penalty of 20 percent of the tax due. Interest is imposed on any unpaid tax from the due date until the date payment in full is received. The current interest rate is 4 percent annually.



# SECTION 4

## Payments

You must collect the marijuana tax at the point of sale for recreational marijuana and remit it to the Department of Revenue. Taxes are due to the Department of Revenue by the last day of the month following the month in which it was collected.

**For 2016, the payment due dates are:**

October.....November 30, 2016

November..... January 3, 2017

December..... January 31, 2017

If the due date falls on a weekend or holiday, payment is due no later than the next business day.

Make checks payable to **Oregon Department of Revenue**. Please include a completed voucher with your payment. Vouchers are available on the department's website at [www.oregon.gov/dor/forms](http://www.oregon.gov/dor/forms).

**Mail the voucher and payment to:**

Oregon Marijuana Tax  
Oregon Department of Revenue  
PO Box 14630  
Salem OR 97309-0505

To pay by cash you need to call (503) 945-8050 for an appointment at least 48 hours in advance. Bring a completed voucher with your payment to your appointment. Visit Revenue Online at [www.oregon.gov/dor](http://www.oregon.gov/dor) to pay by credit card or ACH debit.

**For more information on the marijuana tax program, visit [www.oregon.gov/dor/marijuana](http://www.oregon.gov/dor/marijuana).**

# SECTION 4

## Registration

OLCC licensed businesses selling recreational marijuana need to submit an *Oregon Marijuana Tax Registration* form.

Businesses can use their OLCC license number as an ID number once they've registered. Businesses that were previously registered to sell recreational products under the early start provisions won't need to register again, but they will need to validate their accounts through Revenue Online after November 15, 2016.

*If you have more than one place of business selling recreational marijuana in Oregon, complete a separate Oregon Marijuana Tax Registration form for each location.*

Registration forms are available at [www.oregon.gov/dor/forms](http://www.oregon.gov/dor/forms).

## Employees

- ☐ If you have employees, check the "Yes" box.
  - Corporate officers are considered employees, including those in subchapter "S" corporations.
- ☐ Individuals or firms with employees need to file a *Combined Employer's Registration* form if you have not already done so.

**Note:** The definition of "employee" differs among Oregon state agencies. If you have questions, refer to the Secretary of State's Oregon Business Guide or call the appropriate agency.

## Additional owner/officer information

List information on additional owners, officers, partners, etc., on a separate sheet and attach it to the registration form.

## Other taxes

As a business, you can file a corporate income or excise tax return. For more information on these returns, including guidance on which one to file, visit [www.oregon.gov/dor/business](http://www.oregon.gov/dor/business).

Business income may also change how you file your personal income tax return. Find out how it affects you, along with information about subtractions and deductions available in Oregon for recreational marijuana retailers at [www.oregon.gov/dor/personal](http://www.oregon.gov/dor/personal).



# SECTION 4

## Weights & Measures

### Scale Requirements

Products offered for sale by weight in the State of Oregon must be weighed on an Oregon Department of Agriculture (ODA) licensed commercial scale. You will need a commercial scale if you:

- ☐ Use the scale to sell directly to a buyer.
- ☐ Use the scale to determine the net weight of a packaged product.
- ☐ Use the scale to buy from a seller.
- ☐ Use the scale to record data for entry into OLCC's Cannabis Tracking System (CTS).



Scales used solely for process or quality control may not need to be licensed, for example:

- ☐ A scale used solely to ensure that a consistent quantities of ingredients are used to produce edible products would be considered to be a process control tool and would not need to be licensed; **However**
- ☐ A scale used to determine the net weight of a packaged product offered for sale is, however, considered a commercial scale and would need to be licensed by ODA

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*A scale used to ensure a consistent fill of packages may not need to be licensed if the net weights of those packages are verified on a licensed commercial scale. Questions about specific uses and licensing requirements may be directed to ODA's Weights and Measures program.*

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### Scale Suitability

A commercial scale must be suited for its intended application before it can be licensed by ODA.

There are many factors to be considered when assessing suitability, however the fundamental requirement is that the scale have an adequate resolution so that round off errors are kept to a reasonably low level when weighing products in commerce.

To be suitable, a small scale should be able to display at least 100 divisions when a "typical" net load is placed on it. This requirement limits the errors associated with weighing to about 1 part in 100 or 1%. The net load excludes any containers, bowls, jars, etc. used to contain the cannabis while weighing it.

- ☐ A scale with 0.01 g ( 0.00[1] g ) resolution is needed to routinely weigh a few grams of cannabis.
- ☐ A scale with 0.1 g ( 0.0[1] g ) resolution would be suitable to routinely weight 10 grams or about ½ ounce.
- ☐ A scale with 0.01 lb resolution would be suitable to routinely weight a pound or more.

## **Bracketed Divisions**

Higher accuracy scales often incorporate a bracketed division in the scale's display. This bracketed division is in fact ignored when making suitability decisions as accuracy requirements are not defined for it. This is why this digit is displayed as distinct from all of the other digits on the display.

A scale reading 0.0[1] g actually has an accuracy tolerance of only 0.1 g for small loads in spite of the displayed resolution and so cannot be expected to perform any better. Reading the bracketed division is similar to estimating length measurements between individual divisions on a ruler. It is just an estimate as to where the displayed weight falls between two adjacent divisions and may actually be in error by 5 or more divisions, even though the scale is operating correctly.

## **Licensing a Scale**

ODA requires that all commercial scales have a valid National Type Evaluation Program (NTEP) Certificate of Conformance (CC), in addition to the suitability requirements, as condition of licensing. NTEP scales are required to have a data plate indicating its certificate of conformance number. The number has the format 00-000. If the data plate is missing then the scale cannot be licensed.

**Licensing a suitable NTEP certified commercial scale requires three steps:**

1. Complete and return the ODA scale license application, and
2. Complete and return the ODA placed in service report form, and
3. Payment of the annual license fee.

Both forms are available on the ODA website. It will take approximately two weeks beginning with receipt of payment by ODA before your license will arrive. Your scale is licensed when the two forms are returned to ODA and payment of the annual license fee is processed by ODA.

Retain copies of the applications and your receipt as evidence of licensing until the physical license arrives. When you receive the physical license it is to be posted in plain view.








# SECTION 4

## Annual Inspections

Your Weights and Measures inspector will be notified so that an initial evaluation of the scale can be scheduled once your scale license application is processed.

You can help ensure that this evaluation will go smoothly by doing the following:

-  Have the scale properly calibrated.
  - A set of calibrated mass standards will be required to complete a calibration of the scale. You may purchase these standards or you may contract a scale service firm to complete the calibration for you.
-  All commercial scales must be metrologically sealed.
  - Your scale should ship with the necessary hardware and instructions for sealing. It may not, however, include an actual physical seal if one is required (some scales are sealed electronically). The physical seal itself may be a pressure sensitive seal or a lead and wire seal designed to restrict access to the calibration function of the scale.  
  
If a scale service company handles the calibration for you make sure to verify that the physical seal is intact and to retain receipts for the service provided. These two items serve as evidence that your scale has been properly adjusted.
-  Make sure the scale is installed on a stable surface and that it is properly leveled before use.
  - You may additionally need to include a draft shield around high sensitivity scales to help ensure that your scale adequately protected from the environment to enable accurate repeatable measurements. A scale should be able to display a stable measurement within approximately 30 seconds time and should remain stable long enough for all parties to view and agree upon the result.
-  If the scale is used for direct retail sales be sure to install it so that your customers can witness the entire weighing process from the normal customer position in the store. The customer must be able to see the scale indication.
-  Take care of your scale. Keep it clean, free of debris, and level.

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It is unlawful to operate a scale commercially that is not properly sealed.

The physical seal must be installed such that accessing the calibration function of the scale is impossible without destroying the seal.

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Your inspector will attempt to complete an initial inspection of your scale within approximately 30 days of receiving your license information. The inspector will verify that the scale has an NTEP CC number, that it is suitable for the application, that it is correctly placed, and that it is accurate to within the required tolerances. After the initial inspection Weights and Measures will conduct follow up inspections annually.

**For more information visit the ODA Weights and Measures Program website:**

<http://www.oregon.gov/ODA/programs/ISCP/WeightsMeasures/Pages/LicenseScaleMeter.aspx>

# SECTION 4

## Pesticides Use

The Oregon Department of Agriculture regulates the sale, use, and distribution of pesticide products in Oregon. ODA relies on the federal framework the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), as well as state statutes, and enforces the product label as the law.

Currently, there are no registered pesticide products in Oregon that are specifically labeled for use on marijuana. However, ODA has established criteria and a list of pesticide products to help guide marijuana growers and pesticide applicators throughout the state. The guide list contains over 300 pesticide products and is available on ODA's cannabis and pesticides webpage. The intent of the criteria is to assist growers in distinguishing those pesticide products with labels that do not legally prohibit use on cannabis from those that clearly do not allow use.

Use of a pesticide on cannabis is allowed if it is intended for unspecified food products, is exempt from a tolerance, and is considered low risk.

Those involved in using pesticides for cannabis production should consult the guide list, follow the product label, and use that product according to its directions. All other products used would be considered illegal and, if laboratory testing found the presence of these pesticide residues, it could be considered a violation of the Oregon Pesticide Law.

The guide list will be updated on the ODA webpage as needed. Growers and pesticide applicators are encouraged to check the guide list frequently.

**For more information, contact Sunny Jones at (503) 986-4565**

### Pesticides Information:

<http://www.oregon.gov/ODA/programs/Pesticides/RegulatoryIssues/Pages/CannabisPesticides.aspx>

ODA Cannabis website: <http://www.oregon.gov/ODA/agriculture/Pages/Cannabis.aspx>





# SECTION 4

## **Plant Health & Insect Pest Prevention/Management**

Like all other agricultural crops, cannabis is vulnerable to pests and disease. The Oregon Department of Agriculture can help growers identify plant pests and diseases. The identification service may require a fee.

Plant Health website: <http://www.oregon.gov/ODA/programs/PlantHealth/Pages/default.aspx>

Insect Pest Prevention and Management website:

<http://www.oregon.gov/ODA/programs/IPPM/Pages/Default.aspx>

## **Fire Season Requirements**

The last thing you need when growing your crop is a fire. While it's a good idea to be fire safe throughout the year, there are certain rules that must be followed when fire season goes into effect.

The law, ORS 478.960 (4), requires that any equipment, used in agricultural operations powered by internal combustion engines, be equipped with a fire extinguisher of sufficient size and capacity, and fire tools as required by the district fire chief.

Fires can ignite in several ways during the volatile Oregon fire seasons. The equipment itself could catch on fire from faulty wiring or a severed hydraulic fuel line. Hot exhaust idling over dry vegetation or even striking a rock could spark a fire.

Be aware and be safe. Keep a charged garden hose and shovel nearby. Always have good communication tools at your fingertips (cell phone, radio, etc.) and know your exact location.

For more information visit: <http://www.oregon.gov/ODF/Fire/Pages/FirePrevention.aspx>

## Marijuana Worker Permits

All employees who perform work on behalf of an OLCC licensed producer, processor, wholesaler, or retailer, including but not limited to individuals who participate in the possession, securing, or selling of marijuana items are required to possess a valid marijuana worker permit issued by the Oregon Liquor Control Commission.

The Marijuana Worker Permit materials are available at  
<http://www.oregon.gov/olcc/marijuana/Pages/mjworkerpermit.aspx>.



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*It is the responsibility of the licensee to ensure his/her employees have the appropriate valid permits.*

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## Private Security Services

Any individual who performs, as their primary responsibility, any one or combination of the below private security services requires certification as a private security professional:

- ☐ Observing and reporting of any unlawful activity;
- ☐ Prevention of theft or misappropriation of any goods, money or other items of value;
- ☐ Protection of individuals or property, including but not limited to proprietary information, from harm or misappropriation;
- ☐ Controlling access to premises being protected;
- ☐ Providing canine services for the purposes of guarding or detection; or
- ☐ Authorized by the persons' employer as part of the person's employment, to take enforcement action by detaining or placing persons under arrest.

Regardless if the individual is armed or unarmed, wears a uniform or plain clothes, is employed part or full time, this also includes individuals monitoring alarms, if they are performing at least one of the above items, certification is required.

### Does this include bud tenders?

If an individual is hired to be a bud tender and one of their primary responsibilities, as indicated by their employer, is to physically, if necessary, escort individuals off the premises that may be intoxicated, underage, or unwelcome, certification is required.

The Department of Public Safety Standards and Training (DPSST) in conjunction with the Board on Public Safety Standards and Training, is responsible for training, certifying and licensing Oregon's private security providers.

For more information visit <http://www.oregon.gov/DPSST/PS> or contact DPSST program staff at 503-378-8531 or [security.investigators@state.or.us](mailto:security.investigators@state.or.us).



# SECTION 4

## Food Safety Licenses

The Oregon Department of Agriculture is responsible for regulating the production, processing, and distribution of food products in the state of Oregon.

If you are considering selling, storing, or manufacturing cannabinoid edibles, including the manufacturing of concentrates/extracts intended for use in edibles, we recommend you visit the ODA Food Safety Program web site at <http://www.oregon.gov/ODA/programs/FoodSafety/Pages/Default.aspx>.

A processing license is required from OLCC before ODA can provide onsite consultation assistance, review site plans, or issue a food safety license.

*ODA will not be able to issue a Home (Domestic) Kitchen Processing and Baking License for the manufacturing of cannabinoid edibles.*

**Did you know?** With the exception of packaging and labeling requirements that are established in ORS 475B\*, cannabinoid edibles must be manufactured according to the same standards as traditional foods.

\*Read the full text of ORS 475B here:

[https://www.oregonlegislature.gov/bills\\_laws/ors/ors475B.html](https://www.oregonlegislature.gov/bills_laws/ors/ors475B.html).



## NOTICE



EMPLOYEES  
MUST WASH  
HANDS BEFORE  
RETURNING  
TO WORK



# SECTION 4

## Packaging & Labeling Pre-Approval

All products sold at an OLCC licensed retailer must be packaged and labeled according to the requirements set out by the Oregon Health Authority (OHA) and the OLCC.

-  OLCC Licensees who hold a Producer, Processor, Wholesale, or Retailer license and are packaging and/or labeling products for ultimate sale to a consumer must receive approval from the Commission prior to selling or transferring any marijuana item to a consumer.
-  The packaging and labeling rules only apply to marijuana items for sale to a consumer, these rules do not apply to licensees transferring bulk product to another licensee.

These requirements include, but are not limited to, having the universal symbol, using a specific font type and size for warning information, and including specific text based on marijuana product type.



*Did you know the universal symbol must be at least 0.48 inches wide by 0.35 inches*



For complete information visit:

<http://www.oregon.gov/olcc/marijuana/Pages/PackagingLabelingPreApproval.aspx> or contact Packaging and Labeling Specialist, Jamie Dickinson, at [marijuana.packaging@oregon.gov](mailto:marijuana.packaging@oregon.gov) or 503-872-5459.

## Tobacco and Inhalant Delivery Systems Sales to Minors

Did you know any location which sells retail or distributes tobacco products or inhalant delivery systems to consumers is required to have additional signage under OAR 333-015-0205?

**An outlet must post a notice substantially similar to the notice described below in a location that is clearly visible to the seller and the purchaser:**

“The sale of tobacco products, smoking instruments and inhalant delivery systems to persons under 18 years of age is prohibited by law. Any person who sells, or allows to be sold, a tobacco product, smoking instrument or inhalant delivery system to a person under 18 years of age is in violation of Oregon law.”

**Review the full text of OAR 333-015-0205 at:**

[http://arcweb.sos.state.or.us/pages/rules/oars\\_300/oar\\_333/333\\_015.html](http://arcweb.sos.state.or.us/pages/rules/oars_300/oar_333/333_015.html)




# SECTION 4

## Oregon's Bottle Bill

Oregon stores that sell beverages must accept empty beverage containers and pay the redemption value of the empty containers to customers at all hours the stores are open to the public.

 **Prior to April 1, 2017:** Refund value is 5¢.

 **Beginning April 1, 2017:** Refund value will increase to 10¢.

Beverages currently included in Oregon's Bottle Bill are water, beer, carbonated soft drinks in container sizes up to and including 3 fluid liters.

Effective January 1, 2018, all beverages except distilled liquor, wine, dairy or plant-based milk, and infant formula will be covered under Oregon's Bottle Bill and will require to have "OR 10¢" on containers between 4 ounces and 1.5 liters.

The size and location of a store determines how many empty containers that a store must accept. Large stores (5,000 square feet or larger) that are not in a redemption center zone must accept at least 144 containers per person per day. Small stores (under 5,000 square feet) that are not in a redemption center zone must accept at least 50 containers per person per day. A redemption center is a staffed facility that has received approval from OLCC to accept empty containers from consumers.

Large stores within a redemption center convenience zone must either participate in the redemption center or must provide equivalent services to the redemption center, including accepting up to 350 containers per person per day. A participating large grocery store within the first convenience zone of a redemption center may refuse to redeem all containers and within the second convenience zone may limit returns to 24 containers per person per day. Small stores do not have to participate in a redemption center, but if they are within a redemption center convenience zone may limit returns to 24 containers per person per day.

Go to OLCC's website at [http://www.oregon.gov/OLCC/pages/bottle\\_bill.aspx](http://www.oregon.gov/OLCC/pages/bottle_bill.aspx) for redemption center locations and more information on Oregon's Bottle Bill.

You can also email questions, including checking to see if your store is within a redemption center convenience zone, to: [bottle.bill@oregon.gov](mailto:bottle.bill@oregon.gov).

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*Stores are not required to charge a bottle deposit, but whether they charge a deposit or not they must redeem the empty containers.*

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# SECTION 4

## Air Emissions & Waste Management

The Oregon Department of Environmental Quality does not regulate the growing or processing of marijuana however, marijuana businesses must abide by existing regulations designed to protect our air, land, and water. Air emissions, solid waste, hazardous waste, and wastewater management are areas where DEQ has a regulatory role.

A list of conditions that may require a DEQ permit and contacts for more information is available at <http://www.deq.state.or.us/bc/marijuana.htm>.

### Permit Requirements

If a marijuana grow or processing site uses boilers or heating units the business may require:

- ☐ A Notice of Intent to Construct
- ☐ Registration of the unit
- ☐ An Air Contaminant Discharge Permit

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*Federal and state regulations governing air quality may apply to marijuana growers or processors.*

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Visit <http://www.oregon.gov/DEQ/AQ/pages/index.aspx> for information about the DEQ Air Quality Program.

### Odor Controls

Commercial/industrial facilities with a DEQ permit, such as an Air Contaminant Discharge Permit, are subject to DEQ's Nuisance Odor Strategy.

For information about the strategy, see <http://www.oregon.gov/deq/Pages/Nuisance-Strategy.aspx>.



**Have you heard of Oregon's Indoor Clean Air Act (ICAA)?** This protects nearly every Oregonian from the health risks of secondhand smoke. The ICAA, also known as the Smokefree Workplace Law, prohibits smoking in the workplace and within 10 feet of all entrances, exits, and accessibility ramps that lead to and from an entrance or exit, windows, and air-intake vents. For more information email the Oregon Health Authority's Public Health Division at [More.FreshAir@state.or.us](mailto:More.FreshAir@state.or.us).



# SECTION 4

## Are you a marijuana processor?

- **Volatile Organic Compounds (VOCs):** Marijuana processing may emit volatile organic compounds. Use of solvents for extraction is one example. While it's unlikely the volume of VOCs emitted from marijuana processing would exceed the criteria for an air permit (10 tons per year of VOC emissions), businesses should be aware of the requirements, which the DEQ regulates.
- **Burning:** Waste from processing is considered commercial waste, which may be prohibited from burning depending on location. Additionally, some materials are prohibited from outdoor burning including: plastic, solvents and wet garbage. Other materials may be burned under regulations administered by ODA, DEQ, cities, and counties.



More information is available at <http://www.deq.state.or.us/aq/burning/index.HTM>.

## Solid Waste Management



Marijuana-related solid waste must be composted, processed, or disposed of at solid waste facilities permitted by DEQ to receive that type of solid waste.

Oregon Revised Statute 459 addresses management of solid waste in Oregon. DEQ's materials management rules address recycling of recovered materials, composting of organic wastes, and disposal of solid waste.

- Composting onsite:** Marijuana growers that want to establish a facility to compost waste vegetative material must apply to DEQ for a permit if the operation will compost onsite more than 100 tons per year of type 1 or 2 feedstocks (vegetative material or manures) or 20 tons per year of waste that includes meat, eggs, dairy, or animal mortality, unless they meet certain exemptions from permitting requirements.

Agricultural crop residues, such as vegetative marijuana wastes, are considered a "type 1" composting feedstock and may be composted alone or with other organic materials. DEQ encourages potential composters to contact DEQ to discuss the proposal to determine if an application is necessary.

DEQ composting contacts and information about composting requirements is available at: [www.deq.state.or.us/lq/sw/compost](http://www.deq.state.or.us/lq/sw/compost).

-  **Composting off-site:** Vegetative marijuana waste may also be sent off site to a DEQ- permitted composting facility where it is processed into finished compost. DEQ staff can help growers find a composting facility near their operations.
-  **Solid waste storage and collection:** Counties and cities regulate solid waste storage and collection at the local level. Solid waste generators – including growers, waste haulers, and disposal facility operators – are responsible for complying with solid waste storage and collection regulations. Businesses should take reasonable measures and implement best management practices to prevent trespassing and scavenging. For more information about waste storage and collection in your area of business, contact your local city or county.

## Hazardous Waste Management

Marijuana production could result in the generation of hazardous waste.







**For example:** Use of solvents for processing might result in ignitable or toxic wastes. Management of pesticides may result in pesticide hazardous wastes. Disposal of hazardous waste above specified quantities requires a U.S. EPA generator ID number obtained through DEQ.

More information about how to determine if your waste is hazardous is available at:

<http://www.deq.state.or.us/lq/hw/index.htm>.

Businesses should be aware of the following potential hazardous wastes:



-  Pressurized gas
-  Solvents
-  Used oil
-  Used mercury containing lamps
-  Waste pesticides – 3 percent or greater of any substance or mixture listed in 40 Code of Federal Regulations 261.33(e) or 10 percent or greater of any substance or mixture listed in §261.33(f)
-  Reportable quantities of a pesticide spill - pesticide residues greater than 200 lbs or 25 gallons



# SECTION 4

## Wastewater Discharge Management

Federal and state regulations governing water quality may require marijuana growers or processors to apply for a DEQ Wastewater Discharge Permit.

**Discharge of wastewater to a surface water body is prohibited without a permit.**

### Agricultural wastewater discharges:

- DEQ coordinates with ODA to manage nonpoint source agricultural runoff through implementation of agricultural water quality management area plans.

More information is available at:

<http://www.oregon.gov/oda/programs/NaturalResources/Pages/AgWaterQuality.aspx>

- Land application of wastewater: Wastewater may be applied to the land under certain DEQ-approved conditions.

Visit <http://www.deq.state.or.us/wq/wqpermit/permits.htm> for more information.

- Pesticide use near water: DEQ requires a 2300-A pesticide general permit for any pesticide application in, over, or within three feet of water. Discharge of a pesticide must not cause or contribute to a water quality standards violation.

More information can be found at <http://www.deq.state.or.us/wq/wqpermit/pesticides.htm>

- Pesticide Stewardship Partnership: DEQ is a member of the Water Quality Pesticide Management Team, which coordinates with a number of agencies including OHA, ODA, and ODF to implement the Pesticide Management Plan for Water Quality Protection. The plan includes voluntary Pesticide Stewardship Partnerships to improve water quality associated with pesticide use in Oregon.



# SECTION 4

## Municipal wastewater discharges:

- Stormwater management: Discharge of any material other than uncontaminated stormwater to a stormwater conveyance system (street, gutter, ditch, inlet storm drain) is prohibited.
- Pretreatment for sanitary sewer: Growers and processors may be able to discharge wastewater to a local sanitary sewer. Pretreatment before discharge may be required. Contact your local city or county for information about connecting or discharging to a sanitary sewer system.

**Discharge of any material other than uncontaminated stormwater (rain or snow melt) to a stormwater conveyance system (street, gutter, ditch, inlet storm drain) is prohibited.**

## Onsite septic systems:

- DEQ or the local county may regulate an onsite septic system. Discharge of industrial wastewater into an onsite septic system is prohibited since these systems are only designed to treat domestic wastewater. In addition, planting and growing marijuana on top of a septic drainfield or irrigating and harvesting over a drainfield may affect a residential septic system's performance.

## Agricultural Water Quality

In the production of any agricultural crop, including cannabis, growers are required to keep their activities from polluting the waters of the state.

The Oregon Department of Agriculture is responsible for developing plans to prevent and control water pollution from agricultural activities and soil erosion on rural lands. ODA is also responsible for ensuring that growers, farmers, and ranchers meet the state's water quality standards.

ODA's Agricultural Water Quality Program can direct growers to technical and financial resources to implement projects that will benefit water quality.

Visit the Agricultural Water Quality Program website for more information:

<http://www.oregon.gov/ODA/programs/NaturalResources/Pages/AgWaterQuality.aspx>

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*The primary water quality issues related to agriculture are excessive sediment, nutrients, bacteria, and water temperatures. These pollutants can harm people and fish.*

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## Water Rights

Under the law, all water in Oregon belongs to the public.

Water users, with some exceptions, must obtain a permit or license from the Oregon Water Resources Department (WRD) to use water from any source including groundwater (wells) or surface water (streams and lakes). Generally, water flowing through or past private property does not automatically give the property owner the right to use the water without authorization from WRD.



# SECTION 4

New water permits are not available in parts of Oregon for a number of reasons including hydrologic conditions, so investigate legal water resource options with your local watermaster before starting a project.

A list of watermaster offices is available on the WRD website at:  
<http://www.oregon.gov/owrd/pages/offices.aspx>.

**Violations of Oregon Water laws can result in civil penalties or prosecution for a Class B misdemeanor.**

Most water rights in Oregon are obtained through a three-step process:

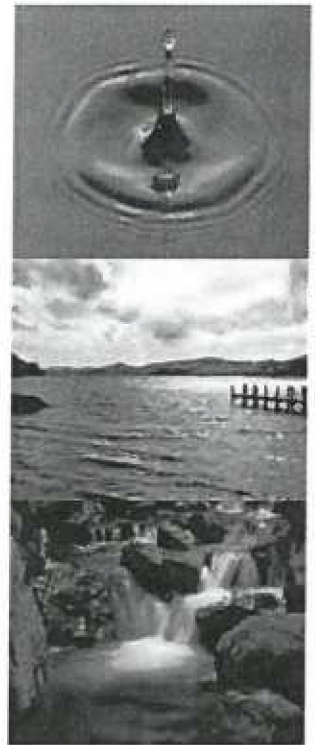
1. Apply to the Oregon Water Resources Department for a permit to use water.
2. Once the permit is granted, construct a water system and begin using water. Hire a certified water rights examiner to complete a survey of water use. Submit a map to WRD along with a report detailing how and where the water is being used.
3. If the water has been used according to the provisions of the permit, WRD will issue a water rights certificate.

Once you have a water right, you must comply with the certificate conditions. All water rights are subject to forfeiture if not used for a period of five years. In times of water shortages or drought conditions, a senior water user (older certificate) can make a "call" for water and users with a junior water right may be regulated off in order to provide water to the senior user.

Certain water uses are authorized under Oregon law as "exempt" from water use permitting. These exemptions include:

- ☐ Collection of rainwater from an artificial impervious surface (building roof)
- ☐ Springs, that under natural conditions, do not form a natural channel, or flow off the property where it originates

Oregon water law also has an exemption for groundwater for non-irrigation related to commercial or industrial purposes. However, this exemption does not include water for plant growth or cultivation. Any use of groundwater to grow marijuana plants for commercial use does not qualify for an exemption. You must obtain either a water use permit or acquire water from a provider such as a city or water district.



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*Remember to check with the local watermaster to make sure that your system is properly set up.*

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# SECTION 4

## **Withholding and Transit Taxes**

### **Withholding Taxes**

Most businesses in Oregon who have employees must report the wages and withholding to the Department of Revenue. The income tax withheld must be sent to the department at the same time the federal withholding is sent to the IRS.

Withholding laws and rules affect recreational marijuana retailers in the same way as any other employer.

You may file the Oregon withholding tax returns quarterly, using Form OQ, or annually, using Form WA.

Forms are available at [www.oregon.gov/dor/forms](http://www.oregon.gov/dor/forms).

### **Transit Taxes**

Transit district tax programs are administered by the Oregon Department of Revenue for the Tri-County Metropolitan Transportation District (TriMet) and the Lane County Mass Transit District (LTD). They provide revenue for mass transit. Transit payroll (excise) tax is imposed on nearly every employer who pays wages for services performed in the TriMet or LTD districts.

A self-employment tax is imposed on self-employment earnings within the TriMet and LTD districts. If you're both an employer and self-employed you might be subject to both the transit tax on payroll and the transit self-employment tax on your self-employment earnings.

The TriMet district includes parts of three counties in the Portland area: Multnomah, Washington, and Clackamas. LTD serves the Eugene-Springfield metro area.

**Transit laws and rules affect recreational marijuana retailers in the same way as any other employer.**

### **Reporting and paying withholding and transit**

To report the tax, businesses must submit quarterly payroll reports to both the Employment Department and the Department of Revenue.

For detailed instructions on submitting the above reports and making payments, please visit [www.oregon.gov/payrolltax](http://www.oregon.gov/payrolltax) or call (503) 945-8100.

### **Registration**

To register your business to report employees' wages and tax please submit the Combined Employer's Registration form, available at [www.oregon.gov/dor/forms](http://www.oregon.gov/dor/forms).



# SECTION 4

## Liability & Property Insurance

The most common types of coverage a business obtains are business liability and property insurance.

While it is possible to get the above policies, some insurers worry that if they cover a loss, they will be financially supporting a federally illegal activity. This is similar to why many financial institutions are reluctant to open accounts for marijuana-related businesses. Because of the conflict between federal and state law, and because the industry is relatively new, there is a lot of uncertainty.

Although your standard insurance company may refuse to sell you a policy because of the nature of your business, there are “surplus lines” companies that sell specialized types of coverage specific for marijuana-related companies.

With regard to business liability and business property coverage, your insurance company may cover some interests, but exclude marijuana products.

**For example:** Your insurer may provide liability coverage for someone tripping or falling in your store, but it may exclude the products you sell. A business property policy may choose to cover some items such as your building structure, computers, shelving, and furniture, but exclude the actual marijuana products.

If you want to be sure something is covered, specifically ask for it. Ask your agent to show you in the contract specifically where that coverage is found. If your policy contains a general “public policy” exclusion or exclusion for illegal activity, ask your agent to amend the policy to explicitly clarify whether marijuana is covered.

**Keep your insurance company informed of your activities and maintain proper coverage to insure that activity.**

- ☐ If the company knows you grow marijuana, **and**
- ☐ It issues you a policy, **and**
- ☐ Accepts premium for that policy, then it must honor that policy. The insurer would not be able to refuse coverage because of illegal or dishonest activities.

**If you have questions or complaints against your insurance company or agent, call 888-877-4894 (toll-free) or go to [www.insurance.oregon.gov](http://www.insurance.oregon.gov).**

**For more information regarding insurance visit**  
<http://dfr.oregon.gov/gethelp/Documents/4967.pdf>.

# SECTION 4

## Unemployment Insurance

Most businesses in Oregon must pay Unemployment Insurance (UI) taxes on their employee wages. These taxes fund unemployment insurance claims filed by workers who are out of work through no fault of their own.

OLCC marijuana retailers are subject to UI laws and rules the same way as any other employer.

In order to assess the correct tax amount owed, businesses must submit quarterly payroll reports to both the Employment Department and the Department of Revenue.

For detailed instructions on submitting these reports, please visit [www.oregon.gov/payrolltax](http://www.oregon.gov/payrolltax) or call 503-947-1544, extension 1.

**Work performed in the OLCC marijuana industry is not considered agricultural labor in Oregon, and the exclusion detailed in ORS 657.045 does not apply to workers that grow, process, or sell marijuana.**

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*Due to the differences between federal and state laws, it's recommended that all marijuana businesses consult a tax expert to ensure compliance.*

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## Employee Classification

Some workers in Oregon are independent contractors and are not subject to UI taxes. These workers do not need to be reported on quarterly payroll reports.

**Did you know?** Different states and different government agencies in Oregon each have their own definition for independent contractors.

In Oregon, both the Employment Department and the Department of Revenue consider a worker to be an independent contractor if the worker has direction and control over the services provided, has an independent business offering the services provided, and is licensed to perform the services (if a license is required).

More information about independent contractors can be found at [www.oregon.gov/IC](http://www.oregon.gov/IC) or by calling 503-947-1542. Please refer to ORS 657.040 and ORS 670.600 for the full text of the law.

**The legalization of recreational marijuana did not result in any changes to existing UI laws or rules. A worker that is fired due to being under the influence of marijuana at work may be denied unemployment benefits.**

**Much like alcohol use, if someone reports to work under the influence of an intoxicant and the employer has a reasonable written policy prohibiting workers from being under the influence, that worker can be fired and denied UI benefits. If you have questions about a specific unemployment claim that has been filed with these circumstances please call the UI Center at 1-877-345-3484. More information about the Oregon Employment Department is available at [www.oregon.gov/employ](http://www.oregon.gov/employ)**



# SECTION 4

## Health Insurance for You & Your Employees

No matter how big or small, every company needs healthy employees, but the options for coverage depend on the size of your company.

Businesses with 49 or fewer full-time equivalent employees (FTE) can choose whether or not to offer coverage. Businesses who have 50 or more FTEs are required to provide health insurance coverage for their employees or pay a penalty.

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*Businesses are not required to offer coverage for employee's spouse or dependents.*

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### Don't have any employees?

If you don't have employees, you may qualify for a health insurance plan through HealthCare.gov, where you can shop and compare plans. HealthCare.gov offers tax credits to help pay for premiums and out-of-pocket costs such as co-pays and deductibles.

The next enrollment period is Nov. 1, 2016 – Jan. 31, 2017. You may also qualify for a special enrollment period if you have a major life change, such as having a child or getting married.

Visit [www.HealthCare.gov](http://www.HealthCare.gov) or call 1-800- 318-2596 (toll-free) to learn more.

You may also qualify for the Oregon Health Plan (Medicaid), which offers free or low-cost coverage for low-income Oregonians. If you earn less than \$16,394 as an individual or \$33,534 as a family of four, you may qualify.

You can also visit [www.OregonHealthCare.gov](http://www.OregonHealthCare.gov) or call 1-855-268-3767 (toll-free) to find free, in-person help to sign up.

### Have employees and want to offer coverage?

You can work with an insurance agent or insurer to get the right group coverage for your employees. Businesses with fewer than 25 FTEs, that purchase a certified health plan, may also be eligible for tax credits to help pay for employees' coverage. The tax credit covers up to 50 percent of premium costs for taxable organizations and up to 35 percent for tax-exempt organizations.

#### To qualify, you must:

- Provide health insurance to your employees
- Pay at least 50 percent of employee-only health insurance premiums
- Pay average annual wages of less than \$50,000 a year



For more information, visit [www.OregonHealthCare.gov](http://www.OregonHealthCare.gov).

# SECTION 4

## Office of Minority, Women, & Emerging Small Business

The Office of Minority, Women, and Emerging Small Business (OMWESB) is the sole certification authority for the state of Oregon.

Being certified as a Minority Business Enterprise, Woman Business Enterprise, Emerging Small Business Enterprise, or Disadvantaged Business Enterprise opens the door to targeted government and private sector contracting opportunities.

For more information on how to obtain certification, visit the OMWESB website at <http://www.oregon4biz.com/How-We-Can-Help/OMWESB/>

## Energy Use


The Oregon Department of Energy (ODOE) helps Oregonians make informed decisions about energy use.

The agency offers technical and financial resources for energy efficiency, energy conservation, and renewable energy generation, with programs that target industrial and agricultural partners. ODOE gathers and shares information about efficient technologies for various industries, including cannabis production.

ODOE provides an online calculator to help growers estimate and anticipate energy usage associated with growing indoor cannabis. Growers use the calculator to apply for and renew their OLCC permit. ODOE collects estimated energy use submitted as part of the permit application, and actual energy use submitted as part of permit renewals. The agency uses the information to develop benchmarks for the industry and to show energy trends over time.

The agency's contributions to the Task Force on Environmental Best Practices helped to shape recommendations for the cannabis industry in Oregon, including the creation of voluntary third-party environmental best practice certifications. The agency's technical team provides information and resources to cannabis producers seeking to improve efficiency and conserve energy in their operations.



To access ODOE's energy usage calculator   
<http://energy.odoe.state.or.us/cannabis.html>




For more information about ODOE technical resources contact:  
Marty Stipe, PE, [marty.stipe@oregon.gov](mailto:marty.stipe@oregon.gov), 503-378-4926






# SECTION 4

Energy Trust of Oregon offers Oregon cannabis producers a wide range of technical services and cash incentives to reduce energy-related operating costs at new and existing cannabis grow operations.




Cash incentives can cover up to 50 percent of your investment costs and are based on annual estimated energy savings.

-  High-efficiency lighting and lighting controls, including LEDs.
-  Technical studies, provided at no cost to the customer, to identify energy-efficiency opportunities for heating, cooling, ventilation and other systems, and cash incentives upon installation.
-  Cash incentives or rebates for greenhouse efficiency upgrades purchased through vendors, including greenhouse re-glazing, heating system upgrades, and controls.

**To be eligible to receive Energy Trust technical services and cash incentives:**

-  Business must be registered with the State of Oregon and listed in the active business registry.
-  The project site must be located in Oregon and served by Portland General Electric, Pacific Power, NW Natural, or Cascade Natural Gas, on a qualifying rate schedule.
-  Additional eligibility requirements may apply and could vary depending on your project.

**The following rebates and incentives are available for greenhouses, lighting, and indoor grow operations:**

-  **Greenhouse Rebate:** Participants purchase their items, fill in, and submit the Greenhouse Rebate Form. Invoices/receipts and spec/cut sheets must be included.
-  **Lighting Rebate:** The lighting team can work with an operation to determine the rebate amount available for lighting upgrades.
-  **Calculated Incentives:** This requires pre-approval. Large Industrial Program staff visit the site and identify the energy saving measures applicable to that indoor grow operation. Staff work with the participant to determine the incentive available and sends the customer's incentive payment once the energy efficiency measures are installed and operating.



Visit [www.energytrust.org/ag](http://www.energytrust.org/ag) or call 1-866-202-0576 for more information.



*Incentives are subject to availability and may change.*

# SECTION 4

## Indoor Production & Electricity







While there are a variety of factors that influence exactly how much additional electricity you will be using—including lighting, ventilation, air conditioning, and drying— one of the most important goals is ensuring you and your business are safe.

Your electric meters and neighborhood transformers can safely meet typical business needs, but any time you are planning to make a big change in how you use electricity, it's essential to:

-  Call your utility provider to make sure your neighborhood transformer and wiring can handle the additional electrical load; and
-  Consult a licensed electrician to ensure your service panel, meter base, and circuits are adequate for your planned use.

Today, there are more lighting technology choices than ever before. Some lamps, like LEDs, are extremely efficient. Others use large amounts of electricity. Metal halide and high-pressure sodium lights use substantially more energy than many appliances in your home.

**On average how long can your devices operate on 1 kilowatt-hour of electricity?**

-  Clothes dryer (3,400 watts) – 17 minutes
-  Hair dryer (2,000 watts) – 30 minutes
-  Microwave (1,200 watts) – 50 minutes
-  **Grow lamp (1,000 watts) – 1 hour**
-  LED TV (50 watts) – 20 hours
-  Laptop (33 watts) – 33 hours

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*Did you know?  
Keeping a 1,000  
watt light turned on  
for 16 hours is like  
running your  
clothes dryer for  
almost 5 hours each  
day.*

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Indoor producers could be paying about 13 cents for each kilowatt-hour of electricity.

### Safety – First

Some metal halide and high-pressure sodium grow lights can pose a potential fire hazard because they produce a great deal of heat, so be careful of their use and surroundings.

Always read the installation directions and warnings carefully and consult with a licensed electrician during set up. Make sure you have a ventilation plan to remove unwanted heat from the lights as well as the correctly rated circuits for your home.

*LED lights use much less energy than traditional bulbs and don't produce as much heat.*



# Guidebook Revisions Record

Revised Date	Page/Section	Description of Revision
Nov. 25, 2015	Page 11/ Sec. 2	Table at top of page corrected to include processing.
Dec. 10, 2015	Page 15/Sec. 3	Final paragraph corrected content in parentheses.
Dec. 10, 2015	Page 10/Sec. 2	Corrected final paragraph to clarify policy.
Dec. 17, 2015	Page 2	Repaired Broken Hyperlink.
Dec. 21, 2015	Page 28/Sec. 4	Added content from Energy Trust of Oregon.
Dec. 30, 2015	Page 17/Sec. 4	Added tax content from DOR.
Dec. 30, 2015	Page 29/Sec. 4	Added tax content from DOR.
Dec. 30, 2015	Page 34	Regulatory Checklist updated to include new DOR content.
Jan. 7, 2016	Page 5	Deadline verbiage corrected to reflect statute.
Jan. 8, 2016	Page 21/Sec. 4	Pesticides Use section updated to include list information.
Feb. 25, 2016	Page 20/Sec. 4	Updated Weights & Measures Section.
Feb. 26, 2016	Page 6/Sec. 1	Removed reference to Individual History Form.
Feb. 29, 2016	Page 35/Sec. 4	Added information on indoor production and electricity.
Feb. 29, 2016	Page 25/Sec. 4	Air Emissions & Waste Management sections combined.
Mar. 22, 2016	Page 5	Removed references to HB 3400.
Mar. 22, 2016	Page 10/Sec. 2	Removed references to HB 3400.
Mar. 22, 2016	Page 11/Sec. 2	Removed references to HB 3400.
Mar. 22, 2016	Page 24/Sec. 4	Added Fire Season Requirements information.
Mar. 22, 2016	Page 25/Sec. 4	Removed references to HB 3400.
Mar. 31, 2016	Page 17/Sec. 4	Added information about local taxes.
May 2, 2016	Page 11/Sec. 2	Updated side note regarding LUCS for more clarification.
May 2, 2016	Page 2	Added information for Oregon Healthcare.
May 2, 2016	Page 3	Added information for Oregon Healthcare.
May 2, 2016	Page 34/Sec. 4	Added information about health insurance.
May 2, 2016	Page 39	Updated checklist to include health insurance information.
May 4, 2016	Page 2	Oregon Healthcare removed - is a division of DCBS.
May 4, 2016	Page 3	Added information for DCBS: OHS&A and Building Codes div
May 13, 2016	Page 25/Sec. 4	Updated "handler" to "worker" permit and added new requirement.
May 25, 2016	Page 5	Opt out information clarified.
June 7, 2016	Page 6/Sec. 1	Removed references to residency requirement.
June 7, 2016	Page 25/Sec. 4	Updated side note regarding permits
June 7, 2016	Page 39	Removed word "retailers" regarding worker permits
June 13, 2016	Page 25/Sec. 4	Added worker permit image
June 13, 2016	Page 25/Sec. 4	Included verbiage regarding storage of edibles
June 14, 2016	Page 6/Sec. 1	Added images for each license type
June 29, 2016	Cover page	Guidebook name updated
June 29, 2016	Page 2	Clarified section regarding marijuana sold in medical dispensaries
June 29, 2016	Page 2	Removed reference to recreational
June 29, 2016	Page 5	Removed reference to recreational

# Guidebook Revisions Record

Revised Date	Page/Section	Description of Revision
June 29, 2016	Page 6/Sec. 1	Updated proof of lawful possession language
June 29, 2016	Page 8/Sec. 2	Removed reference to recreational
June 29, 2016	Page 9/Sec. 2	Removed reference to recreational and updated "opt-in" language
June 29, 2016	Page 9/Sec. 2	Updated 1,000 foot distance requirement
June 29, 2016	Page 10/Sec. 2	Clarified language regarding LUCS
June 29, 2016	Page 16/Sec. 3	Removed reference to recreational
June 29, 2016	Page 17/Sec. 4	Removed reference to medical marijuana
June 29, 2016	Page 25/Sec. 4	Updated language regarding worker permits
June 29, 2016	Page 33/Sec. 4	Removed reference to recreational
June 30, 2016	Page 26/Sec. 4	Added information regarding Packaging and Labeling
June 30, 2016	Page 26/Sec. 4	Added information regarding OAR 333-015-0205
June 30, 2016	Page 41	Regulatory check list updated to include 2 most recent revisions
July 22, 2016	Page 25/Sec. 4	Updated info regarding worker permits
Aug. 23, 2016	Page 34/Sec. 4	Added information about business property and liability insurance
Aug. 23, 2016	Page 42	Regulatory check list updated to include new insurance info
Aug. 23, 2016	Page 25/Sec. 4	Updated website for worker permit materials
Sep. 7, 2016	Page 4	Corrected typo in contents
Sep. 7, 2016	Page 35/Sec. 4	Corrected extension number and added references to ORS
Sep. 9, 2016	Page 37/Sec. 4	Updated contact info.
Sep. 9, 2016	Page 23/Sec. 4	Updated pesticide list number
Sep. 9, 2016	Page 24/Sec. 4	Clarified language
Sep. 9, 2016	Page 31/Sec. 4	Clarified language
Sep. 13, 2016	Page 25/Sec. 4	Removed language regarding food handler cards
Sep. 13, 2016	Page 42	Removed language regarding food handler cards
Sep. 15, 2016	Page 17/Sec. 4	Added clarifying language and moved registration section
Sep. 15, 2016	Page 18/Sec. 4	Added clarifying language
Sep. 15, 2016	Page 19/Sec. 4	Added clarifying language
Sep. 15, 2016	Page 20/Sec. 4	Moved registration section to end of tax section
Sep. 15, 2016	Page 43	Moved registration section to match updated layout
Sep. 15, 2016	Page 4	Content pages updated
Sep. 28, 2016	Page 28/Sec. 4	Corrected title of contact
Nov. 1, 2016	Page 38/Sec. 4	Updated section regarding energy use
Jan. 5, 2017	Page 2	Removed text regarding early start
Jan. 5, 2017	Page 17/Sec. 4	Added additional text regarding due dates
Jan. 5, 2017	Page 19/Sec. 4	Italicized old due date
Jan. 5, 2017	Page 20/Sec. 4	Added additional text regarding early start



# Guidebook Revisions Record



Revised Date	Page/Section	Description of Revision
<i>Jan. 6, 2017</i>	<i>Page 39, Sec. 4</i>	<i>Added rebate and incentive information</i>
<i>Jan. 9, 2017</i>	<i>Page 2</i>	<i>Added DPSST link</i>
<i>Jan. 9, 2017</i>	<i>Page 3</i>	<i>Added DPSST link</i>
<i>Jan. 9, 2017</i>	<i>Page 4</i>	<i>Updated Table of Contents</i>
<i>Jan. 9, 2017</i>	<i>Page 20/Sec. 4</i>	<i>Added section regarding private security services</i>
<i>Jan. 9, 2017</i>	<i>Page 43</i>	<i>Updated regulatory checklist</i>
<i>Jan. 13, 2017</i>	<i>Page 24/Sec. 4</i>	<i>Unbolded text</i>
<i>Jan. 13, 2017</i>	<i>Page 45</i>	<i>Added DPSST logo</i>
<i>Feb. 2, 2017</i>	<i>Page 29/Sec. 4</i>	<i>Added information about Oregon's Bottle Bill</i>
<i>Feb. 2, 2017</i>	<i>Page 46</i>	<i>Updated regulatory checklist</i>
<i>Feb. 2, 2017</i>	<i>Page 4</i>	<i>Updated Table of Contents</i>

# Regulatory Checklist

## Eligibility Reminder

- Reviewed the OLCC opt-out list

## Safety First

- Reviewed the Oregon Safe Employment Act
  -  Trained all employees
  -  Taken proper measures to prevent injury or illness during day-to-day activities
- Reviewed OSHA Division 4 rules (*growers*)
- Reviewed OSHA Division 2 rules (*processors*)

## Know Your Business License Types

- Reviewed all of the OLCC license types and ensured you are compliant with OLCC rules
- Are prepared to present all required documentation with your application as indicated in OLCC rules

## Beginning Your Business

- Developed a business plan
- Obtained your Secretary of State business number
- Have reviewed BOLI's laws regarding Wage and Hour, Civil Right Protections, Leave, Legal Hiring Practices, and Discipline and Discharge
- Obtained all required building permits
- Worked with licensed contractors on electrical, elevator, plumbing, boiler, mechanical, fire matters, and others as needed
- Obtained all required code inspections
- Maintaining relationships with local officials
- Following all odor controls under DEQ
- Following all zoning codes and have obtained your Land Use Compatibility (LUC) statement
- Obtained all permits in relation to emission compliance

## Operating Your Business

- File marijuana tax returns quarterly
- Remit marijuana tax collected to the Department of Revenue monthly
- Registered for the marijuana tax program
- Using scales licensed by the ODA
- Confirmed all pesticides used are legal (*if applicable*)
- Reviewed fire season requirements (*if applicable*)
- All employees have marijuana worker permits (*if applicable*)
- DPSST certification obtained (*if applicable*)
- Obtained the appropriate ODA food safety licenses (*if applicable*)
- Submitted packages and labels for pre-approval (*if applicable*)
- Ensuring additional postage is up (*if applicable*)
- Reviewed Oregon's Bottle Bill information
- Ensured your waste management plan is compliant with all DEQ regulations
- Contacted the local watermaster to discuss water rights and obtain proper permits
- Registered for withholding and transit taxes
- Reviewed liability and property insurance information
- Understand Unemployment Insurance and policies
- Reviewed information regarding health insurance

## Energy Use

- Contacted ODOE to learn how to estimate energy use, costs, and improve energy efficiency
- Contacted Energy Trust of Oregon for technical services



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